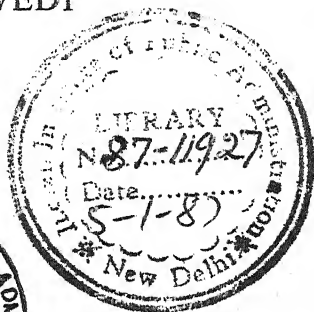


# RURAL DEVELOPMENT

## SOME THEMES AND DIMENSIONS

Indian Institute of Public Administration  
Centre for Rural Studies

*Edited by*  
T.N. CHATURVEDI



INDIAN INSTITUTE OF PUBLIC ADMINISTRATION  
INDRAPRASTHA ESTATE, RING ROAD, NEW DELHI-110002

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NEW DELHI

1986

PRICE { Indian : Rs. 100.00  
Abroad : £ 16.00 \$ 30.00



## PREFACE

The history of rural development in India has been full of aspirations and platitudes, strains and stresses, contradictions and controversies. It has undergone many vicissitudes and is a subject of continuing debate. The focus of the present collection of articles is on rural development with its many-sided problems of conceptualisation, coverage, implementation and socio-economic impact.

It is recognised that for operational and conceptual purposes, while we do try to distinguish the two aspects of development between rural and urban, development does constitute a continuum. Morton R. Davies, in his perceptive contribution, tries to sum up the experience of development strategies during the two development decades and also indicates the lessons that his analysis throws up. This does provide a general perspective for the study of the principal theme.

Apart from ideological or conceptual questioning of the validity and credibility of the programme of rural development, the discussion as regards the issues relating to administrative, organisational and managerial aspects of the programme in the country continues in various forums. The administration of rural development, including the crucial arrangements for horizontal and vertical coordination, requires restructuring, changes and improvements. This is well brought out by M.G. Shah, Iqbal Narain and P.C. Mathur, Ashok Subramanian, Madhukar Gupta and others. Again, we have articles by H.K. Asmerom and Madhab Prasad Poudyal which provide some comparative insights into the operationalisation of rural development policy and strategy in the light of the experience of two other developing countries. It is not difficult to visualise the commonalities and contrasts in the management of human affairs.

Some contributions deal with specific schemes or projects. Samuel S. Lieberman examines in some depth the Employment Guarantee Scheme. T.K. Jayaraman explores the important area of irrigation projects to identify the socio-economic determinants of the participation of farmers who obviously are the intended beneficiaries of these schemes. Public participation has come to occupy a key position in the successful implementation of any scheme of development but a shadow falls between profession and reality. C.V. Raghavulu and E.A. Narayana dilate on the issues of implementation of a development programme at the grassroots level through the case study of Sangam Dairy. Many of the dilemmas of planning from below make their appearance and merit further probe through research studies. The integrity of purpose of the programme and its implementors does not always inspire the necessary confidence.

Bhupendra Hooja, in his analytical presentation of banks' role in promoting IRDP in Rajasthan, and P. Arjun Rao in his contribution on the organisation and working of District Rural Development Agency in one of the districts of Andhra Pradesh, do give some kind of a rounded picture of the IRDP policy as well as operational issues of efficiency, economy, equity and effectiveness which begin to loom large before our mental horizon and merit profound self-introspection. We have referred to the equity aspect of the process of development. From this angle, Bhupinder Singh provides an appraisal of the programmes of tribal development in the country.

It is now admitted that development cannot be carried on the shoulders of bureaucracy alone which none-the-less has an important and even a determining role to play in our approach to rural development. Shriram Maheshwari has a viewpoint of his own in this regard and raises issues which deserve dispassionate discussion in the overall politico-administrative milieu in the country. The scarcity conditions or other kinds of emergencies in the rural areas present a direct challenge to bureaucracy. Relief is not only of immediate relevance but gets linked with planning and development as such. New areas and techniques of 'disaster management' or 'crisis administration' are emerging and they have long-term implications for the efficiency, promptitude and responsiveness of bureaucracy. Very often famine relief gets caught up in the cobweb of politico-administrative corruption and controversy. It has also significant implications for the long-term planning and development in the country. At times it becomes a matter of controversy from the angle of Centre-State relations. Looked thus, Sundeeep Khanna's nuts and bolts analysis of relief work in a district assumes significance for uninterrupted rural development.

The concurrent monitoring and periodical evaluation of rural development programmes continue to suffer from constraints and inadequacies. Strategies and techniques for this purpose have to be properly worked out and understood. In this field, macro approach may not suffice. Systems have to be devised and tailored to specific schemes or projects. This itself is an exacting process. Moreover, the proverbial inertia and resistance should also not be ignored. Ritualism tries to defeat the very purpose of both monitoring and evaluation. The need for accountability may be repeated *ad nauseam* but, apart from bureaucratic apathy, there may be powerful economic or socio-political interests which can hardly be expected to relish either effective monitoring or evaluation. This stark reality has to be taken note of by the political system which really claims to work for social, economic and institutional change. A.P. Barnabas and S.K. Pachauri have generated some useful ideas from this angle.

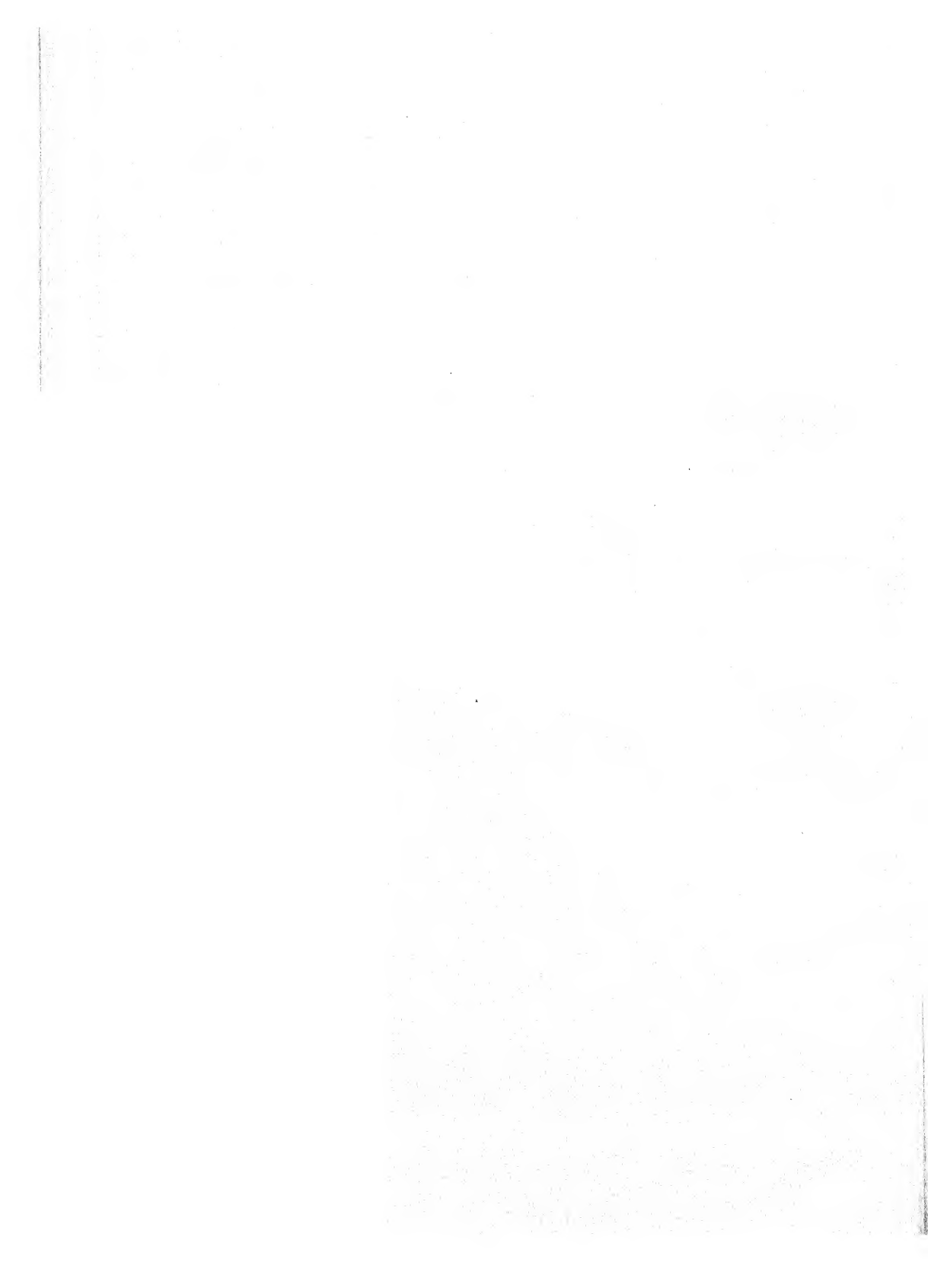
This volume which is in the nature of compilation of some articles

published in the *Indian Journal of Public Administration* and covers the broad area of the problems and facets of rural development, is dedicated to the memory of the late Prime Minister, Smt. Indira Gandhi, who was for a number of years the President of the Indian Institute of Public Administration, as our humble but meaningful homage to her socio-economic vision. The Institute owes a great deal to her wise guidance and support. This volume opens with a record of her address to the participants of the Advanced Professional Programme in Public Administration of the Institute, who met her on February 7, 1984. The address refers to a wide gamut of issues and problems of interest to administrators and the community in general.

As is known, the late Prime Minister, Smt. Indira Gandhi, among other things, laid great emphasis on rural development. She had an abiding interest and concern particularly in seeing that the fruits of development reach the weaker sections of the society. As a part of the strategy of rural development, many innovations were attempted and many special programmes for improving the condition of the rural poor were launched, to realise the plan objective of achieving growth with social justice during the period that she was the Prime Minister. We have also compiled some extracts on subjects of contemporary interest from her speeches. These extracts again cover a wide variety of issues relating to public policy, planning and development and different facets of administration. We do hope the volume will be of interest to all concerned with or interested in the problem and management of rural development.

NEW DELHI  
JULY 1986

T.N. CHATURVEDI



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## Speech by Shrimati Indira Gandhi\*

I WELCOME you here this morning. There is so much to say that it is a little difficult to know where to begin and how and what to say in the short time that is available. Administration is difficult anywhere in the world of today. But in India it is doubly so because of our special circumstances and also because much of our thinking and the systems that we have derived from other countries have very little relevance to the conditions in India. Many of our experts are trying to change and reform them, but since most of the books on sociology and economics are still coming from the same areas, I suppose most of us cannot help being influenced by them.

I am not going to talk directly about administration. That is your job.

I think the whole point of the course is that you should get training to face the difficulties which beset our country and our population. One of the main aims for which we fought during the freedom struggle was that alongwith freedom our people who had so long been denied their rights and privileges must gain them. Gandhiji admonished us all the time that rights must be matched by obligations and duties. But in our Constitution, in our outlook and education, even in our planning somehow the entire emphasis was on privileges and rights, without stress on corresponding responsibility. What is happening as a result is that no matter what quantum of work may be done, it is immediately disregarded and questions are raised about what has not been done. This is not only true of the ordinary population, but also of those in responsible positions who feel that major projects must be taken up in every constituency.

Obviously much has not been done. But the demand today is not for programmes that would reach all the sections of the population. What is demanded is either a petro-chemical complex or a steel complex, that is, something which is very costly and even may not be needed. We now have enough of steel. In fact, we have a bit of a glut. We do not need the type of steel that we are producing, because we now need a different type of steel.

I shall give you another example which is fresh in my mind, as it was brought to my notice only couple of days ago. We have various voluntary workers, who are non-political and going on their own to various villages for social work. They are doctors and others who devote their time without

\*The late Prime Minister gave this extempore address on the morning of February 7, 1984 to participants (senior and middle-level officers from State and Union Government departments in India) undergoing a long-term course at IIPA who called on her at her residence.



## *Speech by Shrimati Indira Gandhi*

asking anything in return. Some of them came to see me, not to present their problems but in connection with some international conference. They mentioned in passing that when they went to rural areas nobody appreciated their work for which most of them spend their own money. They went on Sundays and sometimes on Saturdays. Whether it was an eye camp or mother-and-child health care, there was always a large crowd waiting. However, people standing in the middle or at the end of the queue got impatient and started abusing them, in spite of the fact that they (the voluntary workers) did not take a break from work even for smoking or having a cup of tea and in spite of giving an assurance that they would also be examined after those ahead of them in the queue had been examined. But they persisted in their completely negative approach and demanded that as they were not attended to, they would go back,—as if the villagers were doing a great favour by coming.

I have given this example in some detail because it reflects an attitude of mind which, I am afraid, is spreading all over the country. Everybody from top to bottom is asking for what he should get and, as President Kennedy said in his inaugural address, nobody is saying what he should give to his country. Our administration is also afflicted with such an attitude.

I think we must somehow inculcate this feeling in the minds of our young people and even among others, that it is simply not possible for any government to do everything for the people. It is not possible even in the most affluent and industrialised countries.

While choosing the political system for our country, we tried to adopt the middle way. We are neither communists nor capitalists but we are trying to work an Indian type of socialism which, you know, we call a mixed economy. But in the process we seem to have got some of the evils of both the systems. I personally feel that neither of the two systems has worked in any country. Both groups of countries are facing different types of difficulties. Whether our system is workable or not only time can tell. For this very reason we have to have a certain flexible outlook in administration. Therefore, while sticking to basic values and ideals, we have to go in the right direction. How do we get there? How do we change our methods? As development takes place, the needs and attitudes of people also change and as such, adherence to old rules does not help. But we find that we are tied up in some of the very old rules which the British had left us. We cling to them although some of these rules have been discarded even by Britain and other countries. We have not evolved rules or methods of working which are more appropriate. This perhaps is the reason why some of the programmes for the poor are not functioning properly.

Take the banks, for instance. One of the greatest complaints I get from people who come to see me every morning is that rural banks are not functioning properly. This is so mainly because we have not been





able to inculcate the feeling of social service in bank employees, the attitude that they should treat rural people as equal, the feeling that in their jobs they are not masters but people serving the common man. This is very essential in our country. You cannot govern properly unless there is people's participation, people's involvement, and a shared feeling of responsibility. This is lacking in our country. We must all do something together to achieve it. It cannot be done by magic.

All governmental systems and forms have been tried out in the world. I think that of all of them, democracy is the best. Firstly, it is flexible. Secondly, it gives an opportunity to individuals to put forth new ideas to safeguard and promote people's individuality. What is most important is that the administration in such a system cannot put the lid on something that is boiling or could boil over.

Democracy means both opportunity and responsibility. The Opposition has no less positive a role than the Party in power. But, unfortunately, in today's India, we are not getting that cooperation from the Opposition which is a normal feature in most of the democracies that I have visited. You will find there that there is opposition on many issues, but once a government is elected, they don't try to disrupt governmental functioning. They show opposition in many ways, but they don't try to create such situations which pose difficulties for any party which may come to power subsequently. But in this country, the Opposition has no sense of responsibility for the future. This phenomenon is not an exception but so prevalent in the whole country that whatever you try to do, obstacles are created just for the sake of it. This has been reported to me by our people at different levels, such as journalists, intellectuals, and so on.

I was told that my father created the IIPA and that you try to follow his ideals. But are we keeping to his ideals in this country? We certainly do not have the kind of democracy which he had envisaged. He had envisaged a democracy where there would be different kinds of partnership, without suppressing anybody or any opinion. On the other hand, what is happening today is that support to government opinion is being suppressed. Many people have told me that support to government means a risk to their jobs. Obviously this is what India's administration looks like. People in administration have told me that if they speak in support of any particular government policy, they will be branded as 'chamchas'. What is most painful is that such terms have gone down even to small children. I have been told that such terms are being used even in schools by children.

If this is the atmosphere, how can the government function? What is the legitimacy of government if its authority is eroded? Government is not one person or a minister. Government is a collective body, something that goes down the line, down to Village Level Workers. It is obvious that if authority is eroded, you cannot deal with any situation. This is what is sought to be created. Such thinking does not help any Indian but



*Speech by Shrimati Indira Gandhi*

only those who do not want India to be strong.

Our policy has been one of friendship, peace, coexistence and cooperation. We believe in friendship. But the very practical reason why we need it is that peace is necessary for our development. But I am convinced that there are elements outside who do not want to have peace in this subcontinent and as such do not want us to be friendly. Perhaps they are afraid that if we are allowed to do so we will become too strong. The feeling of animosity against India is also based on this very reason that India has tried and is trying seriously and sincerely to be self-reliant. We must recognise that we cannot survive without becoming self-reliant. It is not merely a matter of any particular policy, but an evident fact that we are too large a population to be bailed out of any difficulty by any one country or any group of countries, howsoever affluent they may be. So we shall have to stand on our feet, whatever the difficulties.

I know that the Administration has many difficulties. Quite often groups of administrators, who have been trained either in the Mussoorie Institute or elsewhere, tell me about the problems they face due to local situations or due to local politicians. I do not deny existence of these difficulties. But all these are interconnected. Each of us is laying the blame on the other. None is willing to say: "Let me at least do the right thing. Then we shall pursue other people." Each one of us can make an effort in that direction.

Unfortunately, large portions of the Press look only for what is very spectacular or disastrous. Only quarrels between people are thought worth reporting. This is not unique to India but is happening everywhere. To them development is not news, achievements is not news. I think there is hardly any foreigner who, after visiting the country, has not observed that he found India quite a different country from what he had expected. Lots of people who read news about India ask how they can come here as the whole country seems to be on fire. When they come here they are surprised to discover that they are free to travel all over the country, except some prohibited defence establishments. They find their experience quite different from their earlier expectations. They are astonished why our newspapers write so much against the government. Can someone say why do they indulge in creating an impression that is not favourable for the country? But this is what is happening and people are getting an impression that India, as a country, is no good. Now my objection is precisely this. Nothing that one says should be personalised.

If we have a conference here, the conference is not to eulogise the Prime Minister. The conference definitely has some more serious purpose. And if, in the process, the things are well done, it is the country that gains. The credit does not go to the government. The impression that emerges is that here is a country that can do things. This exactly was the feeling that emerged from various conferences held in India. Even for the Commonwealth Heads'



Conference, the Commonwealth countries and others had thought that a developing country like ours cannot manage a conference like this. But they were surprised that everything went so smoothly. About the Non-Aligned Conference also the same thing was said. Apart from giving prestige to the country, it also enabled us to put through our ideas in a way that has some impact on the rest of the world. It had tremendous impact on other developing countries because they felt that if India could do something they could also do so, we must try to do it and not let ourselves be pushed around. And that is necessary because otherwise what have we fought for? We fought for freedom, and freedom does not mean just having an Indian Government. It means that the country has the freedom to develop in the way it wants to develop. It has the freedom to keep its own personality, the traditions it wants to keep, and so on. Now the western world simply does not realise this. I cannot say for certain whether the others realise it either, as we don't get their literature in the required quantity. They see everything according to their own standards. They ask, "What is India's growth rate?" "How many cars have you got?" Now, is it that sort of growth that we want? There is a lot of controversy about it. We would like to know, for instance, how many people remain hungry there each day? How many people queue up at shops to get foodgrains? Now, I can't imagine that in countries with so much money and such affluence these conditions should exist. Even though their poor are much better off than our poor, there is no doubt that they still have hungry people and people who cannot get health services. There are large sections of population who are discriminated against. Now, that is not my idea of the sort of freedom we want, or the sort of democracy that we want.

So, while studying, as you do from western books, you have to keep all the time the Indian situation before you. What is it that we want to do in India? In our country, we have an Indianness which binds us together. In this Indianness, we have many personalities and we have not tried to suppress any of these personalities. This is also something that they cannot understand in the West. The West is very much dominated by the USA. How was the USA formed? The USA was formed by various peoples coming from outside. And they felt that the only way to have unity and strength was that everybody must conform to one personality. So they could not keep their respective languages and religions for fear of interference with unity. I think, except perhaps in the very beginning, they were supposed to conform in every possible way. And those who did not were called all kinds of names. So many people changed their names because they didn't want to stand out from others. There is no point now in arguing about what happened in the USA. Here, in India, we want that groups of people in different states and within each state and district must have the opportunity to keep the personality that they want to keep.



*Speech by Shrimati Indira Gandhi*

This means that when you are dealing with those people administratively, you have to see them not only as one whole India but also as its particular part, a particular community, a particular group or section having particular needs which may not be same as a few miles away. We speak Hindi in the North. But let us take the case of UP: I don't know whether some of you here are from UP. You will find in UP that within a distance of few miles the Hindi differs. Everybody does not understand the Hindi that we speak here. It is not that you have to learn that variant of the language, but you have to see what is their mental make-up and how can you reach out to them, firstly, to give them self-confidence and self-respect and, secondly, to give them the feeling that they must work for their own upliftment and that you are there to extend all help to them for this noble purpose. This is the thing and atmosphere that we have to spread. Take the case of America, where initially they had to dig the earth with their bare hands for sowing their fields. They have really risen through the very hard work of their pioneers. We seem to be taking everything from America, but only its superficial part and not the substance which was at the base of the success of that country.

How to maintain this diversity in administrative functioning, you can perhaps think of yourselves. But the major thing is that our attitude must be positive and not negative. This does not mean that you ignore their faults. If you ignore them, you can't correct them. You must know the faults, the shortfalls. You must also know where the change is needed. We have been taking up different programmes for implementation. Now there is no reason to continue with such programmes as are not working or giving the desired results. We find that we are so caught up in midst of our laws, that we remain stuck to a law even when it is not serving anybody. And we find that many useful things cannot be done because somebody picks up the letter of law. So some time the innocent people get caught, while the guilty goes free. I have discussed many times with the judges about it and they agree that something has to be done in this regard. But I do not think we are getting on to what possibly can be done and how it can be done, because the whole thinking is as if we are in a closed shell and we cannot break it open. Now, the administration should not be closed up in a shell which you can't break open on your own.

What we need in this country is thinking people: People who are thinking ahead, because future is full of change. As we go along, the challenge of the future is becoming bigger and bigger and more and more difficult for countries like ours. Some people feel that the advance of technology in the West is so fast that there is hardly any chance for the poor nations ever to catch up with them, as by the time they do something it becomes obsolete and the others have gone many many steps ahead. In this situation, we need an administration that has its feet on the ground, and is in close touch with the common people and their problems, and yet thinking ahead, and



persuading people working in it that they have all to work at different levels in that direction. Life is not going to be easy. I can only say that easy life can seem tempting but it is not a satisfactory life. And wherever people have ease now, they have always acquired it through undergoing hardships and adventure. So I advocate following the difficult path, not just for the sake of difficulty but because that path, in the long run, leads you to success in your work, and gives you personal satisfaction and a sense of great achievement. I am very glad to have met you. □

# Development Strategies During Two Development Decades: Lessons for Future

Morton R. Davies

**I**NCREASING DIVERSITY of the modern world has not obviated the appropriateness of classifying nations into two broad categories: developed and developing. There is still, in general, a stark contrast between industrialised countries of the temperate regions of the North and the poorer ones of the tropical and sub-tropical areas of the South. This provides the main rationale for discussing problems associated with strategies and efforts at development in a North/South framework.

## CATEGORISATION OF NATIONS

### *Economic Factors*

The 25 per cent of the world's population, resident in the North, command 80 per cent of the income. In addition, the industrialised nations control the global system of trading and finance, which enables them easily to sustain the production systems. Thus, the role of the Third World countries has been restricted to that of suppliers of untreated primary products and to sustain structures that were established when most of the Less Developed Countries (LDCs) were under colonial rule, so that, despite acquiring political autonomy, they continue in conditions of economic dependence.

There are abundant indicators of the persistence of this North/South gap. For example, the average per capita income in the Third World, at approximately the equivalent of 800 US dollars per annum, is only eight per cent of the average in industrialised countries. Similarly, the life expectancy and literacy levels show wide disparities in favour of the Northern countries.<sup>1</sup>

In recent years, however, another gulf has been superimposed on that between the North and the South. Significant gaps have appeared even between the conditions of countries *within* the South. These have arisen because, on the one hand, a few countries have arrived at the threshold of industrialisation (Newly Industrialised Countries or NICs)\*, whilst, on the other, considerable financial resources have been concentrated in a small

<sup>1</sup>See World Bank, *World Development Report*, 1982.

\*UNCTAD has identified the following countries in this category: Argentina, Brazil, Hong Kong, South Korea, Singapore, Uruguay and Yugoslavia. It would be proper to include Taiwan and others also in this category.



number of Arab oil-exporting nations. The latter\* reveal a somewhat unique pattern of social indicators. They have a per capita income which matches and often surpasses those of industrialised nations, but on almost every other indicator—for example, life expectancy, literacy levels, dependence on raw materials<sup>2</sup>—they rank well down the list among the LDCs. Perhaps the factor that arouses the greatest disquiet about these nations is their inability, despite adopting strategies like The Green Revolution, to sustain their agricultural production generally and production of foodgrains in particular. Development budgets for agriculture in these oil-rich countries are small compared to other outlays, and together with acute shortages of technicians, skilled administrators, and a skilled agricultural labour force in the midst of traditional land-tenure systems, it is highly unlikely that any significant improvements in their agricultural productivity will take place imminently. In recent decades, their national food consumption has increased rapidly while their capacity to fulfil domestic food requirements through indigenous production, relative to demand, has fallen.<sup>3</sup>

More optimistically, and more relevant in development terms is the appearance of a small number of successfully industrialising countries in the Third World. There is appearing a significant gap between their performance and prospects and those of the poorest countries in the world, who seem to be stuck in the perpetual hold of poverty and underdevelopment. The NICs are those which appear to be approaching Rostow's stage of 'Take Off'. They already contribute significantly to world production and trade in manufactured goods, and the indications are that several other 'middle income' countries are developing similar capabilities, or are revealing a potential to develop them. The overall picture that emerges is that of an increasing economic gap between the NICs and the poorest nations, and a narrowing<sup>4</sup> one between the NICs and their industrialised neighbours. These developments must be a significant factor in any general consideration of the most appropriate strategies for international development for the remainder of the twentieth century, and more particularly the 'North-South' relationship.

### *The Political Factor*

Much of the debate about development, during the last two decades or so, has been couched in economic terms yet the political dimension has been, and is, equally as important. Much of what has occurred has been a

\*Particularly Libya, Saudi Arabia, Kuwait and the United Arab Emirates.

<sup>2</sup>World Bank, *op. cit.*

<sup>3</sup>M.G. Weinbaum, *Food Development and Politics in the Middle East*, London, Croom Helm, 1983.

<sup>4</sup>During 1960-80, the NICs, despite significantly higher rates of population growth, have maintained per capita GNP growth rates equivalent to and often better than those of industrialised countries. See World Bank, *World Development Report*, 1982, *op. cit.*



reflection<sup>21</sup> of the interplay of economic ideas, forces and interests but it has been facilitated by the obduracy of political actors and interests which have affected the making and executing of decisions. Before proceeding to consider the nature and direction of efforts at development for the future, some of the more important actors on the complex international stage will be identified more clearly.

Reference to the North/South dialogue implies existence of two distinct collectivities of actors, viz., the industrialised nations of the North and the emergent nations of the South, more commonly referred to as the Third World. This latter term emerged in the 1960's and served a variety of purposes: (a) It was a convenient collective term for those newly independent countries emerging from periods of colonial rule. (b) It was a means of indicating that these countries were not firmly within either camp in the East/West ideological confrontation which dominated the international scene at this time. (c) More positively, it facilitated the emergence of the non-aligned movement capable of voicing the South's views and interests.

Perhaps it was inevitable that the North-South debate about development strategy should be dominated by the rich industrialised nations of the Northern hemisphere. They, after all, had achieved the economic and other successes to which, many assumed, the newly emerging countries were aspiring. They held majority of the resources, skills and technology which would be needed to achieve any internationally agreed objectives. Their very success enabled them to speak with authority about development and developmental needs, which only thinly veiled their continuing material and other interest in maintaining the broad outlines of the system of international trade and relations on which much of their success was based. Moreover, the fiercely competitive and potentially destructive relationship between the Soviet block and the West, whilst, on the one hand, providing the developing nations with an opportunity to exploit this ideological rift, on the other, provided the West\* with a powerful incentive to cohere and dominate the dialogue in an attempt to gain an advantage in the broader struggle against the Soviets.

In the light of this combination of factors, it is somewhat surprising that the governments of the South have been able to sustain such a highly unified front in their dealings with the North. Their demands are fairly consensual and are based on a common belief in the necessity of introducing a clearer and more evenly-poised sense of equilibrium into world economic structures. What they demand is a New International Economic Order (NIEO) which will be based on a broad agreement between all nations in both North and

\*And to the Soviets too, to a lesser extent. However, they have not engaged themselves in the North-South dialogue *per se*—partly because on ideological grounds they wished to be disassociated from the responsibility for the post-colonial predicament of LDCs, partly because they are less dependent on the primary products of these nations, and partly because their military and diplomatic aims could best be served by such disengagement.





South. As has been indicated above, there are significant distinctions within the countries comprising the South in terms of their potential for development, developmental performance to date and their needs from the North in terms of trade and aid. However, the difficulties encountered so far in getting the NIEO onto the North/South agenda arise, not from conflicts of interests within the countries of the South, but from the reluctance, or possibly opposition, of the West to embark on discussions of innovations that may seriously upset the equilibrium from which they have benefited so handsomely. Both sides in the North/South dialogue are subjected to many internal tensions and strains of conflicts of interest. The cohesion of each is maintained, it would appear, through their awareness of the relative advantages and disadvantages of the present unequal economic relationship that persists.

#### COLLECTIVE IDENTITY

The Third World countries first developed some kind of collective identity in the mid 1950s when, at a meeting in Indonesia, representatives of 29 nations of Africa and Asia demanded that trade and prices of raw materials should be established and maintained through a series of international agreements, that the UN should set up a fund specifically to promote economic development, and that positive steps be taken at the UN to promote cooperation between developing and industrialised nations as well as among Third World states. These general objectives have been consistently pursued, by the now considerably expanded group of Third World countries, at the UN Conference on Trade and Development (UNCTAD) established at Geneva since 1964.

There are clear divergences of interest within the group of Third World countries and there is no formal global organisation to regiment or coordinate their responses in international discussions of North/South relations. Yet they have displayed an united front, and appear to have succeeded in reconciling, or sublimating, their divergences of interest in relation to energy supplies. The OPEC countries and the oil importing countries of the Third World still identify with the 'Group of 77'\* and for most of the time vote together on relevant issues. No doubt there are tensions within the group, arising not only from their manifest conflicts of interest, but because of their different attitudes and perceived needs, and also because the advanced industrialised countries have attempted to exploit potential rifts within the group. For example, it would seem that those developing countries which are successfully industrialising or have otherwise raised

\*The Group of 77 refers to the Third World countries at the UN. The name derives from the 77 developing nations which were represented at the first UNCTAD meeting in 1964. The name has been retained even though there are now well over 100 members.



significantly their per capita income are far more liberal and accommodating in their relations with the industrialised West, presumably because they see not only considerable advantages accruing to them from increased trade and access as a means of satisfying the inevitably increased popular demand for, in particular, consumer goods and services, but also because they see generalised benefits in a strategy based on free trade and greater accommodation. The attempts to exploit divergences within the group have not been very successful. The oil crisis of 1973-74 saw a half-hearted attempt by the Western powers to isolate the Oil Producing and Exporting Countries (OPEC) from the remainder of the Third World. This initiative failed and was soon abandoned.

#### *Regional Organisations*

Whilst Third World countries have no global organisation, there have appeared a number of groups organised regionally for political and/or economic purposes. For example, the African states have formed the Organisation of African Unity (OAU), the Arab states have established the Arab League, whilst on the South American Continent the Caribbean Common Market (Caricom), the Andean Pact, and the Organisation of American States (OAS) have appeared. There is no Asian organisation covering the whole continent, although there is the Association of South East Asian Nations (ASEAN). It is likely that a major difficulty of creating broader-based organisations in Asia arises from the immense size of both India and China. As both are of sub-continental dimensions, claims of either are likely to dominate discussions of any Asian organisation of which they become a member.

#### *Non-Regional Organisations: OPEC*

The OPEC is undoubtedly the single most important Third World organisation. The majority of its members come from the Middle East and North Africa, but it also has members from Latin America, West Africa and South East Asia. Founded in 1960 as a cartel of producer countries with the objective of counter balancing the immense power of the multinational petroleum corporations, it has emerged so powerful that OPEC currently dominates the world oil trade, and plays a major part in determining oil prices despite the fact that it now produces less than one third of the world's oil output. Whilst its relative importance has declined somewhat in the last decade or so with the increases in the production of oil from other countries, it is still sufficiently significant that any disruption of supplies from OPEC would have the most drastic consequences for oil consumer countries across the world, including both the industrialised West and the Third World.

#### *Newly Industrialising Countries (NICs)*

Unlike OPEC, the NICs are not a group of countries organised for



common and/or coordinated action. They constitute little more than a convenient analytic category for those trying to make sense of the complex international scene. The NICs are a small number of countries whose economies are export oriented and have achieved high rates of growth in recent years. The UNCTAD identifies them as developing countries whose per capita income exceeded \$ 1000 in 1977 and 20 per cent or more of their exports was composed of manufactured goods. Such countries cannot be identified by either size or geographic location, but they are likely to share a common set of attitudes and priorities because their reliance on export industries requires access to world markets as a condition of their continued prosperity. Currently, the NICs account for 75 per cent of all manufactured exports from, and 65 per cent of all manufactured imports to the Third World.

The usual pattern for development of NICs has been an early concentration on labour intensive industries, such as clothing, leather and electronics, and only later attempting to penetrate markets based on capital intensive industries, such as shipbuilding, machine tools and chemicals. This pattern of developmental activities in NICs emulates, in broad outline, the earlier experience of the industrialised nations. The success of the former has in turn alerted the latter to the dangers of their position of continuing to extend open and preferential access to their markets for manufactured goods from NICs. Increasingly, there have been demands for NICs to limit their exports of manufactured goods to the countries of the North, that is as a preferred alternative to the unilateral imposition of import quotas on these goods. More generally, some economists in the western developed nations argue that NICs' progress are a testimony that self-reliance and competition governed by market forces provides the best strategy for development efforts in the Third World generally. As an *ex post facto* judgement on the performance of the particular NICs, it may be tenable to argue that for them, with their resources, in their circumstances at this particular period in time, belief in the philosophy of self-reliance and the economics of market forces has been beneficial. The more general prescription for all Third World countries is far more open to question—not only on the empirical grounds that their particular circumstances and potential for development are less propitious but also on philosophical grounds one can question whether *any* general prescription of a development strategy for over 100 countries as diverse as those of the Third World has any lasting credibility. Perhaps the basis for this view can best be adduced by looking at those countries at the other end of the developmental scale from NICs as given in the following paras.

#### *The Least Developed Countries*

These are a group of 31 countries, mostly in Africa, in which there has been a drop of at least 10 per cent in their per capita production of foodgrains



in the last decade, and in which approximately 25 to 30 percent of their population is undernourished for most of the year. There are, of course, other corresponding falls in, for example, real per capita income, and generally what emerges is a picture of a society very poorly endowed to absorb externally imposed disequilibrating pressures on the system and are thus incapable of adjusting their economies to a rapidly changing world environment. Moreover their poverty encompasses not only natural resources but human skills too and this leaves them without any realistic hope or prospect of mounting a development strategy founded on the principles of self-help. Empirically it can be seen that these countries have failed to benefit commensurately in the period of global economic growth and prosperity of the 1960s and early 1970s.<sup>5</sup> Their position during the recession of the 1980s is even more threatened.

In these circumstances, it is inevitable that these countries should rely heavily upon development aid. The response has been that a number of industrialised countries since 1981 have agreed to earmark 20 per cent of their public development aid to the Third World for these Least Developed Countries. On average, this amounts to a pitifully small 0.15 per cent of the industrialised countries' GDP. However, even this commitment is important, but the 'track record' of developed nations is not such that leads one to be sanguine. Their commitment, some years ago, to contribute overall aid equivalent to one per cent of their GNP has, with minor exceptions, never been fulfilled.

These Least Developed Countries suffer not only from economic deprivations but social indicators also pinpoint their plight. For example, life expectancy is no more than 48 years, adult literacy is as low as 33 per cent on average and below 10 per cent in some. Moreover, limited access to drinking water, and an acute shortage of doctors and health services, together with high rates of population increase are common characteristics. These countries are highly unsuitable for the strategies which have been so successful in the NICs, and since most Third World countries have more in common with this Least Developed group than with the NICs, the idea of a general development strategy for all similar to that of the NICs can be discounted. The problems still remain as to why so little progress has been made in the first two development decades, and what should the priorities for the 1980s and beyond be?

#### DEVELOPMENT STRATEGY DURING 1960s AND 1970s

As has been shown in the preceding paras, the experience of development efforts during the 1960s and 1970s has not been entirely without its successes.

<sup>5</sup>For details of various economic and social indicators see the annual issues of *World Development Reports* World Bank, Washington.



The NICs and a few other middle-income countries have undoubtedly improved the quality of life for their citizens, and much of their success can be attributed to deliberate attempts to implement development strategies worked out during that period, *viz.*, that Third World countries should endeavour to integrate their economies as quickly as possible into the world market network, and that this would be best achieved through government-led, export-oriented industrialisation in conjunction with commitments from the industrialised countries to develop trade, grant aid, and encourage private investment in the LDCs.

There was no lack of consensus about the legitimacy of seeking economic emancipation in the wake of the political freedom that had been gained in the 1950s/60s. The general assumption was that this would be achieved once the major obstacle, *viz.*, lack of capital, was removed. In consequence, programmes of financial and technical aid, preferential conditions of trade and direct investment were established. The assumption was that these programmes would unleash the latent economic forces in the LDCs and that they would soon achieve their goals of modernity and development—goals which have perhaps best been described as “being Western without the onus of dependence on the West. The model of modernity is a picture of the West detached in some way from its geographical origins and locus”.<sup>6</sup>

In varying degrees, this strategy has been less successful outside the NICs and in a few other countries. The Least Developed Countries are no better off, and some of them may be relatively in a worse economic plight than they were immediately after their independence. The majority of the LDCs have, *vis-a-vis*, the results of this development strategy, more in common with the Least Developed Nations than with the NICs. So disappointing is the experience of the first two ‘Development Decades’ that to refer to a crisis in development strategy and planning is not unjustified.

No doubt the crisis has deepened and brought to the forefront of consciousness by the world economic recession. The reduction in the levels of demand in the West has reduced export markets for the manufactures of the Third World, which in consequence depresses the prices paid for their raw materials. The intensity and duration of the recession has also undermined the capacity and will of the industrialised countries to maintain the flow of official aid. The combination of factors associated with the recession has brought many countries, in the face of increasing loan repayment charges, close to the point of bankruptcy. Even so, it would be a mistake to identify the recession as a major cause of the crisis in development, rather it is the occasion for noticing the crisis. Explanations of the causes of the crisis must be approached at a variety of levels and must encompass the roles of both the North and the South over the two decades in question.

<sup>6</sup>E. Shils, *Political Development in the New States*, Mouton, The Hague, 1962, p. 10.



### *Roles of North and South*

First, there has been a clear divergence between the developed countries and the LDCs concerning the nature of the international system they wish to see developed. The former are committed to maintaining the existing economic system based on freedom of trade and market economics, albeit working more effectively because increased membership gives bigger markets from which all will derive benefit. The LDCs, on the other hand, have sought a dialogue on the possibilities of setting up a New International Economic Order (NIEO) involving broader and more binding agreements involving all nations within the NIEO.

Second, the West has consistently shown an ambivalence to the demands and needs of the developing nations. Though publicly committed to meaningful participation in the development of Third World countries, yet they find it difficult at times to reconcile this with their more narrowly defined national economic interests. Again, while the West has appeared everready to supply arms 'on demand' to LDCs, they have often showed a distinct lack of discernment in their willingness to supply sophisticated capital equipment which, of course, the recipient LDC has neither the skills nor resources to operate and maintain.

Third, in general, there has been a distinct lack of supervision of aid projects by donor agencies. This may be partly a reflection of a desire of not to appear interfering unduly, and partly a reflection of a commonly held belief that the benefits of aid programmes would inevitably 'trickle down' to the mass of those in the greatest need. This 'trickle down' theory of development aid was a received wisdom for most of the two decades in question, and helped to obviate the need for close supervision of the disbursement of that aid. In recent years, abundant evidence has emerged to show that those assumptions do not, in practice, stand up to close scrutiny.

Fourth, the LDCs themselves must shoulder much of the responsibility for the crisis of development. Frequently, food grain production has been neglected, external aid has been misspent, and the benefits of aid programmes have often not accrued to those sections of the population for whom they were primarily intended, *i.e.*, the weaker sections.

Relatively, few LDCs have concentrated resources on the production of food. Fortunately, those who have done so include the most populous countries in the world—*viz.*, India and China—otherwise the problem of food shortage would have been even more acute than it is. The LDCs are increasingly becoming dependent on food imports. The countries of the South tend to be more susceptible to climatic catastrophes than those of the Northern hemisphere, but these apart, many of the problems of food supply result from deliberate government policies which frequently operate against the farmer and the rural communities. The political instability of LDCs make their governments very sensitive to the demands and pressures from the centres of the greatest political volatility—*viz.*, the



urban areas and the military—each of whom in their different ways constitute potential threats to any regime. There is an understandable tendency, therefore, to keep food prices low, thus discouraging agricultural production at home; whilst maintaining artificially high foreign exchange rates to facilitate import of cheaper capital goods for industrialisation and cheaper imported food, which further discourages domestic agricultural production.

The relatively low priority given to agriculture in these countries has the effect of depressing rural earnings, which in turn produces an exodus of considerable proportions of people from the rural areas to the urban centres. In consequence, rapid, unplanned and uncontrolled urban growth of this nature puts pressure on all the resources and services of the cities, including shelter, food, water, health and sanitation, transport, infrastructure and employment.\* Major towns in many LDCs have become agglomerations of 15-20 million inhabitants, with up to 25 per cent of their population living in shanty towns, and the rapid increases in population will exacerbate an already acute problem in the coming decades.

Combination of the factors enumerated above adds up to a problem of gigantic proportions. The neglect of agriculture depresses wages, speeds migration to the towns, further reduces agricultural production which makes it more difficult to overcome malnutrition and poverty.

On the contrary, the gap between rich and poor in LDCs is great. It is increasing and shows no signs of diminishing. Governments, who have the formal power to bring about such a diminution, show an understandable reluctance to act. They are usually composed of members of the rich and powerful sections of society and, like all governments, those of the LDCs are concerned to secure, and continue in, power. Therefore, as a matter of conviction or as a result of political pressure, they reveal a reluctance to use their powers of taxation and/or providing social services to the full to narrow the gap and neutralise the impact of growing inequalities. Clearly, rural depopulation and the consequent urban overcrowding will be a development priority issue between now and the end of the century.

### *Tension and Conflict Due to Inequalities*

The growing inequalities, together with the growth of political consciousness within LDCs, have produced an atmosphere of tension and conflict which accentuates the tenuous hold on power of many of the regimes. To optimise their chances of survival, many political leaders have embarked on considerable programmes of arms purchase—either as a means of satisfying the demands of the armed forces themselves for modern equipment, or, to enable them to combat or suppress attempted coups or other manifestations of civil unrest. The sums involved are a considerable drain

\*This is a phenomenon which is not found exclusively in LDCs giving low priority to agriculture. It appears generally throughout the Third World.





on national resources which more than nullify the contributions of aid received by LDCs. In-migration to the towns also depresses wages by swelling the labour force and requires huge investments even to simply maintain the level of infrastructure. Moreover, the high birth-rates and low death-rates in these countries produce a demographic profile in which relatively few workers support relatively many dependents; thus further begetting poverty.

Poverty is widespread throughout the LDCs, and a notable characteristic of development within these countries in the 1960s and 1970s is the appearance of widening disparities of income. Growth and prosperity is often confined to a small modern industrial sector, whilst the remainder of the society maintains its traditional culture and style and is basically unaffected by the efforts of development. The FAO recently identified 12 countries, *excluding* the Least Developed Countries, which between them had a total of 342 million people, who suffer from consistent undernourishment.<sup>7</sup> Clearly the assumptions upon which development strategies have been based in the past have not produced the desired results. Aid to facilitate economic growth *per se* does not lead to a 'trickling down' of benefits to those who need them most. The associated assumptions that inequalities of income and benefit were an inevitable and temporary precondition to general economic growth for the society as a whole appear to be increasingly questionable in the light of experience. Recent estimates indicate that LDCs spend in aggregate four times as much in military hardware as they receive in development aid.<sup>8</sup> Equally significant, according to World Bank Reports,<sup>9</sup> is the fact that some of the Least Developed Countries spend a greater proportion of their GNP on armaments than do the western industrialised nations.

The major suppliers of arms to the Third World are USA and USSR,<sup>10</sup> and their policies are clearly part of the wider strategic struggle between them. However, in terms of their effects within the Third World, their policies are, at best, a factor in preventing or delaying military coups, but, at worst, they must be seen as a means whereby governments of LDCs can cling to power by mollifying the military whilst being unresponsive to the legitimate claims of citizens, and abandoning publicly-proclaimed developmental goals.

### *Oil Crisis*

Another occurrence of the 1970s which has contributed to the difficulties

<sup>7</sup>FAO, *The Dimension of Needs*, Rome, FAO, 1981.

<sup>8</sup>See Stockholm International Peace Research Institute, *World Armaments and Disarmament: Stockholm Annual Yearbooks*. See also World Bank, *World Development Reports*, for aid figures.

<sup>9</sup>*Ibid.*

<sup>10</sup>*Ibid.*





## PROBLEMS OF RURAL INDUSTRY

Gandhiji had very correctly realised that worst sufferers of industrialisation in post-Independence India would be the rural artisans. Therefore, he advocated, even before Independence, a rural reconstruction programme based on development of khadi and village industries. It is these rural industries which, instead of benefiting from the post-Independence development programmes, have suffered considerably. When leather is cured and tanned in a factory, when shoes are manufactured in big factories, when garments are stitched in large scale urban units, how can we think that a village chamar or a shoe-maker or a tailor would benefit? Many of them have been rendered landless labourers as their skills also become outdated. Several schemes of improving their skills, giving them better implements for production, etc., have not made any appreciable headway because of uneven and one-sided competition with large-scale factories in marketing the product. It has been emphasised in our scriptures and books of knowledge that a man derives real satisfaction out of his own creativeness. Quality of life is better for a self-employed person as compared to a worker in a factory. Unfortunately, we have not done anything appreciable in the direction of improving the incomes and consequently quality of life of hundreds of our rural artisans and craftsmen. Sporadic efforts have been made by the Central Khadi Commission and State Khadi Village Industries Boards but unless the policies of the Government of India especially, those with respect to marketing are radically changed, nothing would help these sections of the rural poor.

Secondly, rural industries have been clubbed by several state governments with the industries department. At the state and central levels developing more and more industries involving investments of lakhs and crores of rupees is a more glamorous job. As a result, rural industrialisation suffers considerable neglect. The industrialists, their association and federations are far more vocal and wield tremendous influence with the decision-making authorities at the state and central levels. Rural artisans and craftsmen on the other hand are disorganised and poor and do not have any strength to influence decision-makers. Therefore, structural integration of rural industries with the rural development administration, separating it from the large and medium industries department, merits serious consideration.

## EXISTING STATE OF EXECUTION AND SUPERVISION

Before we examine the question of structural changes in the rural development administration in this regard, it would be desirable to examine the existing position. At the Government of India level, there is one department namely, Department of Rural Development, dealing mainly with IRDP, NREP and RLEGP, but there does not appear to be any institutional arrange-



ment for integrating or coordinating all the 12 facets of rural development mentioned earlier. No such organisation exists at any other level—including the state, district or a block. Another Department for Rural Development at the State level similarly looks after these three or four programmes. At the district level, District Rural Development Agency, a society registered under the Societies Act, has been created which works as a statutory body independent of the district panchayat or zilla parishad. There is no separate machinery at the block except certain gramsevak and a couple of extension officers. The Block Development Officer, who is the Secretary of the Taluka Panchayat in Gujarat and saddled with considerable responsibilities, is asked to look after rural development in addition to his duties with very very inadequate supporting staff. There is no coordination between: (a) the Village Panchayat, (b) Talati, (c) Benor gramsevak, (d) rural development gramsevak, (e) with a village cooperative, or (f) with a primary school teacher. There are three categories of rural poor, namely: (1) small and marginal farmers including harijans and tribals, (2) artisans who are becoming poor and poor or who have been rendered as agricultural labourers, and (3) agricultural labourers. It is not at all difficult to identify these poor families. It is also less difficult to identify one or two economic activities in consultation with the concerned poor family which would increase his income, but what is almost impossible today is to ensure that the identified economic activity would certainly increase the income of the rural poor. By giving a buffalo to a rural poor or giving certain subsidies in terms of mini-kits to marginal/small/harijans/tribal farmers, one would not be assured that their income would definitely increase. Unless all the 12 facets of rural development discussed earlier are integrated or coordinated at different levels, the pace of rural development cannot be speeded up. It may not be possible to integrate all the twelve facets into one single organisational structure at different levels, but it is definitely possible to organically link all of them at different levels.

In pre-Independence days, the government administration was structured on one principle which was responsible considerably for its effectiveness. This principle was briefly as follows. Executing levels were identified as village, taluka, district and it was appreciated at that time that there should be separate levels of supervision, guidance and control between the village and the taluka (circle), between taluka and the district (sub-division), and between the district and the province (division). Institutions of circle inspectors/circle officers, sub-divisional officers deputy collectors/sub-divisional magistrates and divisional commissioners were set up with complete responsibilities of supervision, inspection and guidance. Thus by creating one level above the level of execution, concurrent monitoring and evaluation was ensured. Problems of coordination were also sorted out at both the executing and supervising levels. The general administration of the province thus ensured not only a single line of command of execution but also a simultaneous single



line of command of monitoring evaluation. This principle is not followed now in structuring rural development administration. There is no supervisory authority at any level between these three levels of execution. Community Development Programme was started in 1952 which was subsequently extended to whole of the country, sub-divisional officers were brought into the picture by appointing them as chairmen of the block advisory committees, and divisional commissioners were brought into the picture in several states by making them chairmen of divisional development councils. But because of introduction of panchayati raj; the supervisory tiers have been totally neglected in several states. The principle of separate levels of execution and separate higher levels of monitoring and evaluation, which has proved its efficiency for several decades, should be incorporated in a remodelled structure of rural development administration.

However, India being a vast country full of diversities, each state will have to examine its local circumstances and other factors—political, social and economic—before evolving a suitable organisational structure on the principles discussed above.

There are number of organisations in Gujarat that are responsible for implementing the 12 facets of rural development. Further discussion will give us an idea of the size of the problem of integration and coordination that exists in the rural development administration.

### *Credit*

Credit requirements of rural poor are looked after by: (i) branches of various nationalised and non-nationalised banks, (ii) branches of various cooperative land development banks and district cooperative banks, (iii) branches of regional rural banks, (iv) organisations like Schedule Castes Corporation, Tribal Development Corporation, etc., and (v) several departments which give direct loans. Besides, money-lenders continue to exist to provide credit to the rural poor who have mortgageable assets like land, house, utensils, ornaments, etc. As the risks in lending to the rural poor are many, the problem of recovery has become important. A rural bank branch does not have adequate means to appraise the viability of a scheme nor it has arrangement for supervising the use of credit. The policies of the Reserve Bank and NABARD in providing inventory procession and marketing credit to several input and marketing organisations in the rural industries/agricultural/animal husbandry sectors have not been helpful. It would suffice to say here that apart from coordinating credit with other facets of rural development, there is considerable lack of coordination not only amongst the various credit organisations at the block/district levels but also even with the branches of the same nationalised bank in the district. Rural credit cannot, therefore, become an engine for rural growth : It hardly serves as a camel cart or a bullock cart in some villages.

The problem of rural credit has been examined in considerable depth by

the Narasimhan Committee but unfortunately the remedies suggested by it have been half-hearted. The entire rural credit needs to be integrated by combining all branches of all banks (commercial, cooperative and regional) into one single District Rural Bank at the district level to serve as an engine for rural growth. Similarly, we should have one single apex rural development bank at the state level to be refinanced by the recently created NABARD. Till this is done, coordination with several credit organisations with the rural development administration will have to be ensured by making the representative of the Lead Bank as one of the members of the rural developmental administration at the block, district and state levels.

### *Subsidies*

Subsidies are given by a number of organisations in Gujarat. Besides Rural Developmental Department, Social Welfare Department, and Tribal Development, other departments dealing with rural development are agriculture, animal husbandry, rural industries, etc. There are, also Harijan Development Corporation, Tribal Development Corporation, etc. There is considerable disparity in the pattern of subsidy. There is considerable overlapping and there is no machinery which can ensure that the same beneficiary does not get a subsidy from more than one agency. Sivraj Committee, which was set up to study this problem in the state, has suggested a uniform pattern and a single agency of DRDA for the purpose. Voluntary agencies, which have been set up under Section 35 CCA of the Income Tax Act are able to provide financial inputs in the shape of additional subsidy to rural poor, besides giving managerial inputs. Coordination between them also will have to be achieved by giving due representation to voluntary agencies in rural development administration.

### *Inputs and Marketing*

Several organisations have been set up by the agriculture, animal husbandry, rural industries departments and similar other rural development agencies for supply of seeds, pesticides, fertilisers and water to farmers, such as Gujarat Seeds Corporation, Gujarat Cooperative Marketing Federation, Gujarat Agro-Industries Corporation, Gujarat Insecticides Ltd., Command Area Authorities, Gujarat Electricity Board, Civil Supplies Department, private dealers, etc. For land development, we have Gujarat Land Development Corporation, Khar Land Development Board and Irrigation Department. For marketing, we have branches of the Cotton Corporation of India, Gujarat Oilseeds Growers Federation, Gujarat State Cooperative Cotton Marketing Federation, All India Tobacco Growers Federation, Gujarat Cooperative Sugar Factories Federation, Gujarat State Warehousing Corporation, etc. In the animal husbandry sector, we have separate organisations for dairy, cattle, sheep as well as poultry. There are cooperative dairies in several districts as well as Gujarat Dairy Development



and agricultural labourers. Therefore, two new programmes introduced recently are: (i) special scheme for marginal and small farmers, and (ii) rural labour employment guarantee programme (RLEGP).

The late Prime Minister Smt. Gandhi appeared to be extremely anxious to work out a suitable organisational structure for rural development with a view to speeding up the rate of eradication of poverty considerably in the Seventh Plan. With this end in view, the Economic Advisory Council accordingly prepared a note on the subject. The author, therefore, suggests in the following pages, what needs to be done in this regard.

#### OBJECTIVE OF RURAL DEVELOPMENT

All those engaged in rural development in the country must be clear that the single objective of rural development is to increase the income of every rural family and to see that those who are below the poverty line are enabled to come above that line in the next ten years, *i.e.*, during the period of VII and VIII Plans, and devise appropriate strategies. All organisations dealing with rural development and all employees working at all levels in each one of these organisations have to be told clearly about this objective. They are then to be enthused to achieve this objective by the end of the VIII Plan. For this purpose, appropriate recruitment and training programme need be evolved to infuse the required sense of dedication and commitment to the programme in all of them. If a time-bound programme is adopted with adequate funds, manpower, and organisational structure, it is not difficult to achieve the goal.

#### ORGANISATIONAL STRUCTURE

Functions of government can be broadly divided into three categories: (a) regulatory, (b) developmental, and (c) commercial. Before independence, the government was pre-occupied with regulatory functions but after independence, the developmental activity has been increasing very rapidly in almost all sectors of the economy—agriculture, industry, power, irrigation, transport and communication, social services, etc., as is evident from allocations in successive Five-Year Plans. Besides, in accordance with the national commitment to evolve a socialistic pattern of society and following one of the Directive Principles of State Policy enshrined in our Constitution, the government has been embarking upon several commercial and industrial activities. As a result, scores of public sector undertakings have since come up at the central as well as the state levels.

Even with respect to regulatory functions, the government has been assuming powers through legislation either to bring about social equality or to prevent exploitation or harassment to certain sections of the community. In fact, keeping these factors in view, clear-cut policy is necessary for structuring



organisations which are necessary for implementation of these three categories of government functions. These organisations need a thorough examination, especially for implementing rural development programmes more effectively in the VII and VIII Plans. Some suggestions in this regard can be that all regulatory functions should be performed only by the central and the state governments and no regulatory function be given to the elected representatives at the village, block and district levels. In Gujarat, where Panchayati Raj is in operation since 1963, regulatory functions—such as recovery of revenue, removal of encroachments, maintenance of revenue records, granting of non-agricultural permission, etc.,—were transferred to the local panchayats at village, taluka or district levels. The experience shows that not only these functions have suffered considerably but the speed of development has also been affected because of combining the two. For example, local leadership is not yet strong enough to remove encroachments or to recover all government dues, and confront the anti-social elements therefor. Performance in these areas go to prove that not only recovery of government dues but repayment of loans to cooperative and commercial banks has also suffered considerably. Encroachments have not been removed and permissions have been granted in several cases setting aside all norms of town planning. Factionalism has inflicted almost each village and has adversely affected discharge of regulatory functions. Gujarat was earlier one of the best states in the country where revenue records were maintained up-to-date but the position has now become far from satisfactory. Probably Gujarat is the only state where regulatory functions have been handed over to the local panchayats on such a scale. Maharashtra gave the function of recovery of land revenue to them, but because of sad experience, they withdrew it. Therefore, elected representatives at the local level should not unnecessarily be burdened with such unpleasant tasks at least for the next ten years. This would improve the performance in this regard. It will again make the government servants accountable and responsible as was hitherto. Psychologically, performance of government servants is better when their accountability and follow-up action to ensure satisfactory performance are clearly linked.

As regards developmental functions, depending upon the circumstances of each state, as many programmes of rural development as could be implemented at the district and levels below should be handed over for implementation either through the district panchayat/zilla parishad, wherever existing, or through district development board headed by the collector in association with the leaders of the people at the district and block levels. One could also examine the possibility of preparing a district list of functions on the lines of the Union, State and Concurrent lists given in the Seventh Schedule of our Constitution and see that such functions of the district list are transferred to elected bodies, wherever they have been formed along with funds in bulk and personnel. A state finance commission could be set up which



should suggest periodical allocation of resources between the state and the districts. Block transfer of funds on the lines of allocation between the centre and the states could also be thought of so that adequate flexibility is available in planning and execution of the district plans. In other words, whatever development programmes could be implemented at the district level and below should be done through the district development boards or district panchayats or zilla parishad and similar organisations at the block level.

Most of the commercial and industrial functions are being performed today by statutory boards/corporations or companies under the Companies Act. How to make these bodies function more efficiently is a separate issue which has been engaging the attention of the Government of India and the state governments and therefore not covered here for discussion. What is being emphasised here is that there may yet be commercial functions which are still being discharged by government departments for which proforma accounts are prepared by the Accountant General. They should be identified (like Printing and Stationery in Gujarat) and handed over to a separate independent commercial body. Their performance should certainly be watched by the owners. If distinction between the three categories of government functions is clearly understood and implemented, the pace of rural development would increase.

#### INTEGRATION AND COORDINATION

As discussed earlier, rural development programme broadly consists of two categories. One relating to provision of social and economic infrastructure, and the other relating to raising income of those individual families which are below the poverty line. Both these programmes are not mutually exclusive. In fact, economic infrastructure would help increasing the effectiveness of the family oriented programmes. For example, income of rural poor households will not increase merely by distribution of milch cattle. For this purpose, facilities for marketing of milk from the village to the consumer centre will have to be simultaneously arranged which, in turn will depend upon infrastructure facilities like marketing cooperatives, roads, electricity for chilling centres, etc. Thus, as both programmes are mutually dependent, we will have to take an integrated view. Under IRDP, while only a few programmes have been integrated, but rural development as such has not been integrated. There are in fact, a dozen very important facets of rural development, all of which require to be either integrated or coordinated effectively. Let us discuss these here in their order of importance :

1. Provision of credit from banking institutions: (a) for giving assets to individual rural poor, and (b) credit for supply of inputs/raw materials marketing and for providing economic infrastructure



- facilities especially road transport and electricity.
2. Provision of subsidy for acquiring new assets or for improving their existing assets, to make the project bankable.
  3. Ensuring supply of raw materials or inputs at the door-step of the rural poor or at least at carting distance from the village.
  4. Making arrangements for marketing of their products ensuring a fair price so that they may be able to repay loans and also get some money for consumption to improve their quality of life.
  5. Arrangements for improving and updating of their existing skills.
  6. Undertaking research and development on a continuous basis so that rural productivity increases in agriculture, animal husbandry and allied activities, and rural industries by updating technology.
  7. Provision of social infrastructure, especially: (a) drinking water, (b) educational facilities especially to inform artisans and vocational trades about local needs, and (c) adequate health cover.
  8. Provision of economic infrastructure in terms of: (a) roads which are at least cartable throughout the year connecting every village to the nearby market, (b) electricity, and (c) bus transport.
  9. Organically linking voluntary agencies with the new rural development administrative structure. For example in Gujarat, several voluntary agencies which are dedicated to do rural development work, not only provide managerial and financial inputs but also act as a link between an individual rural poor and the various organisations providing assistance.
  10. Supplementing economic activities of the rural poor for several years to help raise his net income through providing employment in public works to those who are under-employed. It will have to be done by identifying: (i) periods of unemployment or under-employment in a year, (ii) areas or pockets in the district suitable for this purpose, and (iii) concrete public works projects for creating durable assets in such villages. In other words, NREP and RLEGP will have to be integrated or coordinated.
  11. The designing recruitment and training of functionaries at different levels in such a way as to inculcate spirit of dedication to rural development among them and motivating them to implement the programmes efficiently, honestly and economically. Good quality personnel should be recruited and helped to stay on to man rural development administration.
  12. Continuous planning, monitoring, and evaluation of rural development programmes to ensure that all the above mentioned facets are properly integrated or coordinated. The effectiveness of achieving the objective depends upon the extent and efficiency of such integration/coordination.





of the LDCs' pursuit of their developmental objectives was the significant increases in the world prices of oil in 1973-74 and 1979-80. A combination of the purchase of armaments and oil has resulted in the majority of LDCs being in considerable deficit on their external trade. For some, 50 per cent of their export earnings are used to pay for their oil requirements, and some already have to choose between importing food or oil. For most LDCs, it is unlikely that the proportion of their export earnings used to pay for imported oil will reduce significantly in the near future, even if oil prices are stable. However, an even greater burden for those countries, who have had to borrow to purchase their oil, is that the servicing commitment on their outstanding debt is as great as their current oil bill.

Domestically, the result of the oil crisis has led in LDCs to a greater dependence on wood and animal dung for fuel, both of which are undesirable developments. On the one hand, animal dung is a valuable source of soil fertilisation which is denied to the rural dweller when it is used as fuel; and on the other, wood is getting increasingly in short supply. As distances for its collection increase, so does price, thus placing further strain on the households' disposable income. In national terms, the use of wood for fuel is equally damaging. Deforestation is proceeding at a pace that will result in 40 per cent reduction of forestry resources in the Third World by the year 2000,<sup>11</sup> whilst those of the industrialised nations will remain stable on present consumption patterns and afforestation policies. This would seem to be an issue-area in which initiatives could be taken in LDCs to reverse trends through more ambitious afforestation policies, development of more efficient stoves and alternative sources of low-cost energy.

#### FUTURE GUIDELINES

Any general statement about the most appropriate strategies and priorities for future development at the international level runs the risk of being dismissed as indiscriminating, naive, idealistic or lacking an appropriate sense of *real politique*. It must be recognised that, however much of a consensus exists around the conference table on the need to assist the economic development of the poorest nations and to improve the quality of life of the most backward communities, very few of the principal actors will return to their capitals and act unwaveringly with an ideal rationality and promptitude designed to realise those objectives at the expense of all others. All political leaders are subject to multifarious pressures from groups making diverse demands underscored by different values, priorities and varying degrees of political muscle. Not all of these demands can be satisfied, and sometimes none can be satisfied in its entirety.

<sup>11</sup>Us Council on Environmental Quality and the Department of state, *the Global 2000 Report to the President*, New York, Penguin Books 1982.



The leaders' task, therefore, is to identify those whose pressure cannot be ignored for one reason or another, and seek a cluster of decisions which may satisfy no one, but which, in H.A. Simon's terms, will 'satisfice' many, and thereby gain or sustain support for the regime. This is as true for the elected regimes of the western industrialised nations, as it is for their counterparts in LDCs. The former with their highly organised, mass participative political cultures are confronted with a greater array of articulated demands, many of which could be significant factors in the regime's chances of success at the next competitive struggle for the people's vote. The latter, even those with electoral systems, do not face such diversity, but the pressure upon them is no less. Their continued existence as the political regime is dependent upon their capacity to meet the demands of narrowly defined elites, such as the military, the large landowners or a few industrialists. Politics is essentially an activity which for the leading actors is about survival; about getting and holding power. It is an activity in which frequently sincerely held views and goals are suppressed or displaced in that search for survival. National interests can never be abandoned by politicians hoping to survive, but frequently this means abandoning honestly entered into international commitments, or diverting resources away from the weaker sections of society even though their needs are fully acknowledged. To expect regimes or particular leaders to behave otherwise is unrealistic. Consideration of strategies for the future must acknowledge that for example, developed nations will continue to supply arms in significant quantities to LDCs who can ill afford them, that the industrialised nations will continue to close their frontiers to the manufactured goods of the Third World when they perceive their industries are threatened, that there will be a huge gap between the precepts and practices of development aid. Similarly, regions in LDCs will continue to invest unwisely in prestige projects, will neglect the poorer, less-demanding sections of society when it suits them, and will endeavour, at high cost, to satisfy the elite organisations especially the military.

In this framework, it is perhaps worth reconsidering the existing strategies and priorities. The greatest priorities, especially in the Least Developed Countries, are for meeting the basic needs of the poor—food, water, sanitation, shelter, hygiene, education, and employment. These are the basic prerequisites for any kind of development to take place. Yet there have been numerous statements, schemes and projects in recent decades based on these perceptions. Similarly, the need to emphasise rural development and domestic food production has been a consistent priority expressed in the literature on development. There is a case to consider that the ideas and preferences expressed during the first two development decades were sound, and that it is the implementation of those ideas that has failed. For the reasons given above, it is futile to incant political leaders to fulfil commitments they have entered as though they are in some way absolute



obligations, or to counsel them to enter and abide by aid policies which are likely to run counter to their national interests. Since politicians react to pressure, the only means of gaining greater commitment from them is to create counter pressures in that direction through publicity and open discussion of the issues in those societies which facilitate that degree of openness. Elsewhere aid donors, especially the international agencies, might well consider the direct supervision of aid schemes to ensure that the main beneficiaries are those whom they were intended to be. □



## Restructuring of Rural Development Administration

M.G. Shah

THE PROBLEM of speedy rural development was receiving attention of our national leaders even before Independence: Gandhiji, who toured thousands of villages of the country more than once, exactly understood their problems and also suggested correct remedies. After Independence, considerable efforts have been made towards improving the quality of life of our rural poor.

The thrust for rural development has been two-pronged—one, providing certain social goods and services in terms of social and economic infrastructure, and the other, increasing income of individual rural people.

The minimum needs programme taken up in successive Five Year Plans and the revised minimum needs programme were expected to provide to the villages certain economic and social infrastructure, ensuring facilities like roads, electricity, road transport, drinking water, medical care, primary schools, etc., but the pace of progress has been both inadequate and slow largely because of diverting funds to priority sectors like power, irrigation, agriculture, etc. Hence, failure in providing: (i) drinking water, electricity, rural roads and transport to all villages, and (ii) medical care and primary/secondary education at a reasonable distance to all the villages in the country. With respect to the second part, that is increasing income of the individual rural poor families, though some progress has been made, especially in areas where irrigation facilities have been created and utilised, yet there are vast areas in the country where rural people have not benefited as expected either by the general economic development programmes or by the area development programmes, like Drought Prone Area Programme (DPAP), Tribal Sub-Plan, etc., which were devised to tackle specific problems of such areas having concentration of poverty. Therefore, a new strategy was adopted to identify rural poor family and to help it in taking up selected viable economic activities with credit facility from nationalised and cooperative banks to secure increase in the income of such households. Programmes like MFAL, SFDA and NREP, therefore, came into existence. But as it was found that these programmes individually were not bringing about the change at the desired pace in reducing poverty, these were integrated into what is known as Integrated Rural Development Programme. However, even after the integration, it has been continuously felt by the Government of India to do something more, especially for marginal and small farmers,



Corporation. We have Gujarat Sheep and Wool Development Corporation and Poultry Marketing Federation and private agencies. With respect to khadi and village industries, there is State Khadi and Village Industries Board, Gujarat Rural Industries Marketing Corporation, Gujarat Leather Industries Corporation. We have several private agencies supplying inputs and marketing the produce of rural producers. How to coordinate with all these organisations? How to coordinate even the supply of credit with physical supply of inputs and of recovery of credit with marketing? There are Talukas and District Sale and Purchase Unions who mostly deal with agricultural inputs and marketing at taluka and district levels. These need be made members of BRDA (Block Rural Development Agency), DRDA and *vice versa*. Similarly, representatives of all other input and marketing organisations should be mutually associated at these two levels. There should be a similar structure at the state level also.

### *Skills Formation and Improvement*

It is true that application of appropriate technology in the rural development sector is a must for improving productivity of land, other assets and of artisans and craftsmen. A number of institutions have been set up for this purpose, e.g., Gujarat Agricultural University, Polytechnics, IITs and mini-IITs. The TRYSEM programme has been introduced and a training in vocational trades is being emphasised. Farmers' training centres have also come up. Unfortunately, there is no proper planning for estimating the needs of a block, district or the state over a period for utilising these institutions in a coordinated manner. All these skill-improvement programmes are working independently from each other and also have not much relevance to actual needs. All skills giving institutions should be integrated into one and it should be organically linked with BRDA and DRDA.

### *Research and Development*

In research and development, considerable work is being done in the sphere of agriculture. Benor System has also helped in extension of this research on the farms of farmers. There are several handicaps and pitfalls in agricultural research and extension but they are being identified and sorted out by the Ministry of Agriculture in consultation with the World Bank. What needs to be emphasised is the availability of flexibility at the state level so as to see that local problems and requirements of research and extension are attended to. There is a tendency to uniformise the pattern and also to take over the responsibility of detailed monitoring evaluation at the Government of India level with the result that rigidity comes into play and benefits of one kharif season of a district or a state cannot be implemented in the next kharif season. There is very little research and development in the sphere of animal husbandry and allied activities. To cite an example of Gujarat, milk yield per cow or buffalo has not satisfactorily increased in



the last 37 years after Independence. Research and development is better in dairy cattle in Gujarat but probably very much less has been done in other states but even in Gujarat, the number of dairy cattle giving a very good average milk yield per animal is extremely low and therefore the average for the state has remained between 2 and 3 litres per cow and between 3 to 4 litres per buffalo in the last 37 years. There is no research and development in the sphere of rural industries. Though in Gujarat, a beginning has been made in establishing a Rural Technology Institute with the help of British Council so that problems in improving the productivity of rural industries could be identified and solutions suggested but unfortunately it has not made any appreciable headway in this regard. It will thus be seen that R & D work requires to be considerably strengthened at the state and at the district levels with the objective of increasing yields of agriculture, animal husbandry, other allied activities, and of rural industries. Considerable support is necessary from the Central Government in this regard. These district and state level R & D organisations should be linked by making them as members in the respective organisations.

#### *Social Infrastructure*

In terms of social infrastructure, as far as education is concerned, we have primary schools with the district panchayats with a few schools run by the trusts and private agencies. We have similarly few vocational schools. We have primary health centres, sub-centres under the district panchayats supported by such institutions run by trusts. Drinking water also is being supplied by the State Health Department through the district panchayats as well as by the State Water and Sewage Board. District Planning Board also helps in this regard through the discretionary grants given to them by the state government. As District Development Officer of the district panchayat is the Chairman of DRDA, the required coordination between the DP and DRDA is ensured at the district level.

#### *Economic Infrastructure*

With respect to economic infrastructure, the needs of energy for the rural areas are supplied by the Gujarat Electricity Board from the grid as well as to a very very small extent by bio-gas plants. Rural roads are being constructed mainly by the district panchayats with grants from the Department of Roads and Buildings. Road transport is provided generally by the nationalised Gujarat State Road Transport Corporation. Coordination between rural development administration and GEB/GSRTC at different levels requires to be ensured by providing representation to them in the respective organisations.

#### *Voluntary Agencies*

Voluntary agencies exist in a number of areas. There is no coordination



amongst them *inter se* on the one nor any adequate coordination between them and the rural development administration. They are trying their best to supplement the government subsidies and by helping the rural poor in getting quickly loans from the branches of the nationalised banks. Their dedication and managerial skills require to be fully utilised.

### *Rural Employment*

With respect to providing employment to those who do not have adequate assets or skills to get employed throughout the year is a problem. The employment programmes are being implemented not only by the Rural Development Department through NREP and RLEGP but also by other departments of the government like public works, irrigation, afforestation, etc. Periods of under employment, their pockets or areas and identification of appropriate public works programmes have not been properly coordinated. There is no integrated rural employment programme at any level. This should be first done and then mutual representations should be provided for the rural development administration and the employment agency at different levels.

### *Proper Recruitment and Training*

There is no institution in Gujarat yet developed to train new rural development functionaries like gramsevak, extension officers, etc., nor are there refresher courses for them and higher categories of officers. Impartial recruitment and promotion policy should be quickly devised alongwith appropriate training programmes. This work should be done by the State level Department of Rural Development and DRDAs.

### *Planning and Coordination*

With respect to integrating all the facets of rural development, there is no agency. District Planning Boards have been created at the district level which largely deal with disbursing grants for certain local development programmes.

Similarly, there are no organisations for supervision, inspection and guidance for rural development programmes between village and the block, between block and the district and between the district and the state. Divisional commissioners have been abolished since 1965. Attempts to revive them have not been successful. Sub-Divisional officers have been deprived of duties of coordination after the formation of Panchayati Raj in 1962. Activities of circle officers are restricted only to certain non-panchayat revenue functions.

### PROPOSED ORGANISATION SET-UP

It will thus be seen that what is needed is a regular coordinated rural



development structure at village, block, district, state and central levels and a supervising, and guiding structure at the circle, sub-divisional and the divisional levels and probably also at the zonal council level between the state and the centre. We must create these structures with adequate powers to coordinate, with adequate funds to deal with and with concurrent monitoring and evaluation. It must have the required flexibility to take care of the local circumstances and variations. It is possible to work out an organisational structure at different levels in Gujarat keeping these objectives in mind.

There should be a separate organisation for the purpose of looking after regulatory administration as well as a separate structure for undertaking different industrial and commercial functions. There should be separate structure also for panchayat and local development functions, but those who deal with rural development in these three spheres will also have to be coordinated at different levels. At the village level, there should be coordination amongst the Benor Gramsevak, rural development gramsevak, village cooperative secretary, school teacher, panchayat secretary and talati. These six functionaries should be organically linked together to form a village development committee with sarpanch as chairman.

At the block level, there should be a separate Block Rural Development Agency to execute and coordinate both with respect to the dozen facets of development referred to above and with regulatory and commercial functions of organisations. This authority should be clothed with adequate staff, funds and powers and responsibilities for achieving the coordination. The Block Rural Development Agency should consist of: (i) Sub Divisional Officer; (ii) Taluka Panchayat President; (iii) Representatives of institutions dealing with credit, inputs, marketing and skills; (iv) Taluka Panchayat Officers dealing with social infrastructure and rural roads; (v) Representatives of Gujarat State Road Transport Corporation, and Gujarat Electricity Board; (vi) Representatives of Voluntary Agencies; (vii) Representative of the Employment Agency; (viii) MLA; (ix) Mamlatdar; and (x) Block Development Officer.

The District Rural Development Agency should be adequately strengthened and their functions should be expanded so as to take care of execution of all rural development programmes in a coordinated and integrated manner with collector as chairman. In addition to representatives mentioned for Block Rural Development Agency we may add the officers dealing with agriculture, animal husbandry and rural industries.

At the state level, the State Rural Development Council should be headed by the chief secretary along with state functionaries dealing with different facets of development as members. There should be a cabinet sub-committee consisting of chief minister as chairman to periodically review the progress. Similar arrangements should be made at the zonal and the central levels.

Similarly, there should be a supervising organisation at circle,





sub-divisional and divisional levels in the state and also at the zonal level between state and the centre.

Whatever changes are required in implementing these recommendations by way of amendments to rules and regulations with respect to panchayat bodies, cooperative bodies, public sector enterprises, regulatory functionaries, etc., should be identified and then their function should be either integrated or coordinated with the rural development structures advocated as above.

#### MONITORING AND EVALUATION

There is need for simultaneous monitoring and evaluation of rural development programmes. This is a programme which is extremely difficult. Rural incomes cannot increase speedily and rural poverty cannot be eradicated from each family of the rural poor unless and until there is planning execution on the one hand and monitoring the evaluation on the other and efforts are on to continuously modify, upgrade, etc., various programmes at different levels depending upon the local experiences. Therefore, the concurrent monitoring evaluation machinery should evaluate the impact of different programmes of rural development and suggest suitable changes from time to time so as to achieve our objective of increasing the rural income and eradicating the rural poverty. The place of monitoring and evaluation, therefore, should obviously be at the supervising levels suggested above. These supervising agencies at the circle, sub-divisions and zonal levels must be armed to monitor and evaluate the effects of various projects and programmes in these fields. The executing agencies should be associated at different levels to examine the recommendations of the monitoring and evaluation machinery so that they are taken into confidence while suggesting and implementing modifications.

#### REVISION OF POLICIES

It has been the experience of the developed countries as well as developing countries that the speed of economic development depends on three factors: (a) rate of savings of a nation, (b) capital output ratio with respect to investments of this savings, and (c) the rate of increase in population. The per capita income of any nation depends only on these three factors. In a developing country like India, where millions and millions of people live in rural areas and are engaged in rural economic activities, the savings of a nation cannot increase appreciably unless the incomes of millions of people of these rural producers are increased. This was the truth which compelled Gandhiji to appreciate the need of development of khadi and cottage industries which were neglected considerably during the British regime. Unfortunately, the marketing policy of the Government of India including those of



the Reserve Bank and NABARD are not conducive to this fundamental need. Almost all rural producers and especially those who are poor are not getting the remunerative prices of their products. Very big farmers or traders/money lenders take away produce of small/marginal farmers at meagre prices and exploit them fully. With respect to remunerative price for rural industries, there is no mechanism at all. Does a chamar get better wages? Does a shoe-maker get a better price? Does a tailor get a higher income? All are dying because of competitiveness either from the public or from the private sectors. The Government of India has reserved certain articles to be produced in the small scale sector. Unfortunately, there is no such list, to be exclusively reserved in the rural industries sector. How can we help the local shoe-maker permitting simultaneously production in big factories or permitting substitutes in the organised sector like plastic chapals? How can we permit large scale manufacturing of ready-made clothes at the cost of a village tailor? Why do we encourage leather industries at the cost of chamars? Do we not encourage large toilet and shop industries at the cost of local soap maker who generally does it out of inedible oils.

Similarly, tragedy prevails with respect to credit. No credit is available at concessional rates for supplying inputs or marketing the produce of these organisations. Reserve Bank of India continues to treat organisations of farmers formed on cooperative lines or public sector corporations which are engaged to help in marketing of the rural products on par with traders with regard to the rate of interest, margins required and several other restrictions. Unless the policy of the Government of India in terms of marketing of the products of the rural producers both in regulatory and credit fields is completely re-examined and reframed, even the coordinating and integrating of the rural development administration as suggested above would not become very effective. National Cooperative Development Corporation is trying its level best to persuade RBI and NABARD to make a distinction between a trader and an organisation created or sponsored by the government to help marketing the products of the rural producers but without any success up till now. Khadi and Village Industries Commission and State Khadi Boards are making efforts to get input and marketing finance on reasonable terms but without any appreciable results. We are giving subsidies to the rural artisans and craftsmen. These subsidies cannot help unless their goods are marketed at a price which helps them not only to repay the loan but also to enjoy a better quality of life. There are no arrangements to upgrade through research and development the productivity especially in the animal husbandry and allied services and rural industries sectors. There must be continuous upgrading skills of the rural producers so that their productivity increases and it helps them to get better prices. If these policies are changed with a view to helping the rural producers to get a good income, not only rural development will be speeded up but also it will move the country faster.

It is the argument of the RBI that by giving reasonable price to the rural



producers, it will increase inflationary tendencies. This is misconceived. If one can examine what a producer gets out of what a consumer pays, it will be clear that in addition to the inventory and/or processing cost that a trader incurs, he gets sizeable profit from the consumer. This is because of exploitation by the traders of the rural producers. Without increasing the price of what a consumer pays, it is hundred per cent possible to increase the share of the rural producer in that price by appropriate institutional arrangements, appropriate marketing strategies and appropriately making available the required finance at reasonable terms and conditions.

Similarly, another argument of the RBI is that they cannot give marketing credit to the state sponsored apex marketing organisation at reasonable rates simply because these marketing organisations are not buying the produce of the farmers at the support price fixed by the Government of India. Maybe the farmers have been helped a little through announcement of the support prices of certain rural commodities by the Government of India but even here there are no arrangements to buy at the appropriate time at the village level their produce at the support price from farmers. They come into play largely when small producers have sold away their produce at throw away prices. Besides many times, the support prices are fixed at minimum levels with the result that market prices are higher than the support prices. In this regard, the poor rural producers get much more exploited by the trader. Nobody comes forward to buy from them at a reasonable price which can be fixed considering the cost of inventory and processing as well as normal profits. The farmer gets a price which is far more lower than the difference between the off season price and the cost of inventory/processing and normal profits. Marketing organisations are able to determine these reasonable prices and to see that in the year they do not generally make any loss. There should be adequate credit both for inventory as well as processing at a concessional rate of interest to such state sponsored rural marketing organisations. When such credit is given by NDDB to a state level marketing organisation for oilseeds, it has immediate results. Without increase in the price of groundnut oil, the Gujarat Cooperative Oilseeds Growers Federation has been able to give a good reasonable price (higher than the support price and higher than the normal trader's price) for the last three years to the groundnut growers in Gujarat. This organisation has also made profits which are again passed on to the farmer members. If these Cooperative Marketing Federations are enabled to function efficiently, honestly and economically and if they are given required financial support (details of which for Gujarat I have given in a separate paper), and if they are unable to reach the level of marketing 40 per cent of the total produce at the end of the VII Plan and about 60 per cent at the end of the VIII Plan, it will bring about the expected rural transformation and considerable improvement in the quality of rural life.

Another argument of RBI requires to be mentioned here. RBI insists



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that these farmers cooperative marketing organisations should make efforts to recover the credit given by the credit cooperatives. Timely repayment of all credit is most essential. Maintenance of a healthy credit cycle is in the larger interests of the rural producers themselves. Unfortunately because of natural calamities as well as lack of political wisdom, the health of the credit cycle has suffered considerably. If, however, a condition is placed at this point of time of giving credit to the marketing organisations that they must recover all credit it will help only the traders and not the marketing organisations of rural producers nor even in recovery of credit. Let us build up these organisations and then link recovery of credit with them.

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# **Urban Development and Re-vitalisation of Local Self-Government Institutions: A Conceptual Analysis in the Context of Some Lessons from Anti-Poverty Rural Development Programmes and Policies in India**

**Iqbal Narain and P.C. Mathur**

**D**URING ITS political and material ascendancy of over 15 to 20 decades, the West replicated several of its home-grown administrative and/or representative institutions in the Third World countries. Many of these institutional structures have continued to function even after the dramatic collapse of European overseas empires in the middle of the twentieth century, but the political elite, policy-making administrators and development-oriented academics are gradually beginning to realise that many of these structures are no longer capable of meeting the new inter related challenges of urbanisation, industrialisation and modernisation. True, of late, there has been some rethinking about the specific goals of Western style development itself, but there is little doubt in the minds of the Third World power-elite that in objective conditions of illiteracy, inequality and poverty prevalent in these countries, some degree of Western-style modernisation is essential. In fact, the emerging consciousness to mould development processes to make them more human-intensive and ecology-responsive itself places an additional functional burden on the existing institutional structures in regard to purposive management of development.

Amongst several institutional structures implanted in the earlier phase of Western domination in the Third World, the statutory institutions of urban local self-government are the most prominent. India has already celebrated the hundredth anniversary of Lord Ripon's resolution which in 1882 sought to place urban local self-government on a sound organisational footing. Many municipal corporations and other institutions of urban local government, set up since then, possess an enviable record of several decades of public service. However, the functional efficacy and efficiency of these decades old institutional structures are being increasingly undermined owing to a series of changes which are proposed to be analysed in this 'concept paper': It is intended to indicate (rather than analyse in depth) the key functional areas which these institutions must be able to handle if they are to survive into, say, the twentyfirst century.

Parenthetically, we would like to note that the structural deficiencies



of the decades-old institutions of urban local self-government (ULSGIs) stand in sharp contrast to their rural equivalents which have the advantage of being associated with the 'late-comers' on the development scene so much so that, at least in the case of India, the day does not seem to be far off when re-modelling the ULSGIs would become a process of importing mechanisms, procedures and orientations derived from India's vast and diversified experience of management of rural development, especially its rich repository of success stories with regard to democratic control over development administration under the auspices of country-wide network of Panchayati Raj Institutions (PRIs).

Paradoxical as it may sound, the view that many of the most urgent issues of urban planning in the Indian context are *rural* (in origins as well as nature) should not be difficult to grasp. Many solutions for reform of urban local self-government which are now being canvassed have already been in operation in the rural context; many more lessons can yet be learnt for better management of urban development, particularly as it is being re-oriented towards the *urban poor*, most of whom are deeply entrenched in the traditional values, customs and life-styles characteristic of rural India.

The point that we are seeking to make as a prefatory statement of our position is not just rhetorical. Several examples can be cited to show that the Union and state governments in India are fully conscious of the viability of transfer of development management technology from the rural sector to the portfolio of policies, programmes and projects targeted towards an urban clientele, especially the weaker sectors of the urban community like the poor, Harijans, women, children, squatters and slum dwellers and *senior citizens*. Lest there may crop up some misunderstanding about our conceptual thrust, we would like to make it clear that we are talking about management of *urban* development but what we are advocating amounts not so much reforms in the conventional structures of ULSGIs but their 'retro-fitting' with strategies and operating systems borrowed from the rich experience of rural development in general and rural local self-government in India in particular.

#### PATTERN OF URBAN DEVELOPMENT IN INDIA

The Census of India, 1981 has revealed that India's urban population has grown from 25.6 million in 1901 to 156.1 million in 1981, a cumulative growth of about five times. Detailed data further indicate that the urban population grew rather slowly from 1901 to 1921 (increasing only to 27.6 million in 1921 from 25.6 million in 1901) and even up to 1941 the growth (from 25.6 million in 1901 to 43.5 million in 1941) was rather modest, but thereafter the growth-rate gained a greater momentum with India adding a total urban population of 49.2 million during the last decade, 1971-81. The addition in the last single decade of 49.2 million is more than the *total*



urban population of India in 1941 (43.5 million). Further, till 1961, India's total urban population was only 77.5 million and the most dramatic increase in this regard has taken place only during 1961-81 when it got doubled, experiencing a decadal percentage increase of 37.91 and 46.02 during 1961-71 and 1971-81, respectively.

Thus, without laying claim to demographic expertise, we can certainly argue that rapid urbanisation is a new phenomenon in the Indian context as, despite all the massive increase in India's urban population after 1961, only 23.73 per cent of India's total population could be classified as urban. India is, obviously, still overwhelmingly rural and the socio-cultural implications of the massive size of its non-urban population cannot be ignored in any analysis of the needs and wants of the urban people who are always in close contact with the rural socio-cultural value systems. In fact, as L.N.P. Mohanty would put it:

The staggering growth of urban population in India is due to steady increase in the rural population, the absence of proper development of rural areas and the persistence of rural-urban disparity. Generally, the trend has been that the location of industries, the employment potential, the provision of services, etc., are concentrated in the larger cities which continue to draw migrants from the neighbouring rural areas. The process is further accelerated by the mechanisation of agriculture which has replaced labour by power driven equipment. The village is too small an entity to permit multi-functional economic activity and, therefore, the surplus population is forced to migrate to urban centres. The faster means of communication, though a sign of development, have aggravated the problem of urban areas by increasing the floating population. The burden on urban land is increasing and the municipal authorities find it almost impossible to accommodate the immigrants within the strictly urban limits. Consequently the pressure on the hinterland is increasing and peri-urban areas, specially the rural hinterlands which are well-connected with communication lines, are growing rapidly. As a result of the exodus, the migrants lose the emotional support which they need to get from their communities.<sup>1</sup>

Another significant trait of India's urbanisation is the predominance of the large cities with a million-plus population which are categorised as 'Class I' cities in the censuses. As per the 1981 census, out of India's total urban population of 156.1 million, as many as 94.2 million (i.e., 60.37 per cent) were concentrated in 216 'Class I' cities out of which 12 urban agglomera-

<sup>1</sup>L.N.P. Mohanty, "Urbanisation in Orissa", *Urban India*, Vol. 3, No. 3, September, 1983, p. 24.



tions/cities accounted for a population of 42.02 million which came to 26.91 per cent of India's total urban population. Further, these million-plus cities have recorded, especially after 1931 and more particularly after 1951, decadal growth-rates which are much higher than those for the urban population *per se* and even for class I cities as a whole (Table 1) :

TABLE 1 URBAN DECADAL PER CENT GROWTH-RATES IN INDIA

Year	Million-plus cities	Class I cities	Total urban population
1901	—	—	—
1901	+83.89	+5.61	-0.14
1921	+13.11	+17.06	+8.25
1931	+8.99	+23.93	+19.08
1941	+56.01	+63.72	+32.09
1951	+121.56	+65.31	+41.49
1961	+53.03	+44.21	+25.85
1971	+53.64	+52.67	+37.91
1981	+53.25	+56.83	+46.02

SOURCE : Compiled from *Census of India, Paper 2 of 1981: Provisional Population Totals, Rural-Urban Distribution*.

The pattern of urban growth outlined above on the basis of Census data does not, however, reveal the *problems* of urban growth mainly because it cannot throw adequate light on the characteristics of India's urbanisation which is, in many ways, quite different from the patterns and processes witnessed in the west during its phase of ascendant industrialisation. Even the west experienced several socio-cultural traumas during the hey-days of its capital accumulation when its urban centres offered very ugly profiles. But, by and large, the lessons of this period were not encapsulated into the local government structures replicated in Third World countries like India which have not yet carried out a major reform of ULSGIs that it inherited from her British rulers.

Altogether, the story of local urban government in India can be stated succinctly in a few words: structural stagnation with functional overload. The solution to this morbidity lies not merely in reforms but in retro-fitting the existing structures with instruments and strategies derived from India's rather recent experience of management of the challenging tasks of rural development.

#### FORMS AND FUNCTIONAL SPAN OF ULSGIS

Thanks to the liberal outlook of Lord Ripon, urban India has been endowed with a network of statutory local self-government (not merely





'local government' but, to emphasise the not-so-obvious, local *self-government*) institutions for slightly over a hundred years. One does hear much about institutions of local government as well as local self-government in ancient and medieval India, but it is safe to assume that, at least in the case of urban India, the British were undertaking institution-building *de novo* with India's traditional institutional structures having almost withered away by the end of the nineteenth century.

Being visualised as organs of local self-government, the British ULSGIs laid more emphasis on their representative character rather than on their administrative capabilities. It is interesting to note that even today, though India became independent in 1947, the stresses and tensions between the deliberative and executive wings of urban local government institutions continue to occupy significant, in fact greater, attention. In a way, the early emphasis on the representative role of the urban local bodies was justified by the smallness of their functional span because even up to 1941, India had not witnessed the emergence of urban agglomerations which now seem destined to dominate urban India as the modernisation process gains momentum in the country, taking both the urban and the rural areas in its stride, the latter more indirectly than directly.

Thus, as late as 1901, there was only one city with a population of over one million and, even after Bombay municipal corporation crossed this mark in 1911, as recently as 1941 only the cities of Calcutta and Bombay had populations exceeding one million; the number of million-plus cities grew rapidly thereafter (reaching seven in 1961, nine in 1971 and twelve in 1981). But there can be no doubt that in the late seventies and early eighties of the nineteenth century, when the structural foundation of India's ULSGIs was being laid down, India was a land of small towns and smaller villages. It should, therefore, not be surprising if British architects of ULSGIs laid greater emphasis on their representative rather than their administrative character, all the more because they tried to satisfy through these institutions people's urge for political participation. One could even argue that India had hardly any need for well-elaborated structures of local government in its small urban segment even today is dominated by less than half a dozen metropolitan centres, while the remaining 3,240 towns recorded in the 1981 census can be treated as 'urban' only in a technical and not in a techno-economic, let alone psycho-social, sense.

Given the great disparities in the sizes of urban centres, ULSGIs in India have been classified into, broadly speaking, four types—Municipal Committees, Municipal Boards, Municipal Councils and Municipal Corporations. By and large, the larger urban centres have been provided with Municipal Corporations and the smaller urban centres have Municipal Committees. Thus, for most of the million-plus cities, Municipal Corporations have been formed, while most of the urban centres classified by census as class V and class VI have Municipal Committees. The urban centres



of intermediate population-size are under Municipal Boards and Municipal Councils. We would hasten to add that there is no hard and fast rule governing the correlation between population-size of a town or cities and its Municipal status. By and large, one can still observe a tendency for a urban centre to move from Committee status towards the Corporation status as its population expands and, thus, these four types of ULSGIs constitute a continuum along which an urban centre moves as its population increases.

The Board-Committee-Council-Corporation classification is not just nominal; to any Indian interested in public affairs, these instantaneously convey a great deal of information about the structural form as well as the functional span of the ULSGIs so designated because this four-fold continuum has, in fact, come to symbolise a stratification pattern with different types of municipal institutions, enjoying different quantum of powers, resources and functional autonomy. Thus, the Corporation-type of ULSGIs stand at the apex of the municipal government and enjoy an impressive amount of autonomy in order to provide a wide range of services to the large populations they serve. In fact, to begin with, this type of municipal status was given only to the great 'Presidency Towns' of Calcutta, Bombay and Madras and even today Municipal Corporations exist only in the class I type of cities (*i.e.*, cities with a population of over 1,00,000). The Council-type of ULSGIs also enjoy a great deal of structural and functional autonomy and are, typically, constituted for class I (with population over 1,00,000) and class II (with population between 50,000-1,00,000) cities, while the Committee-type and Board-type ULSGIs are to be found in the smaller towns. Finally, the Board-type of ULSGIs have been used to meet the special needs of urban centres deserving special municipal status, irrespective of their population-size. Thus, regimental centres of the armed forces have Cantonment Boards to provide the necessary municipal services to the military as well as the non-military people, living in what is ritually a 'out of bounds' area for the ordinary civilian service channels. Similarly, large-sized residential educational campuses (like Vidya Vihar in Pilani, Rajasthan) and new industrial townships have been endowed with board-type ULSGIs although, in some cases, they also have the committee-type municipal institutions.

#### PATHOLOGY OF URBAN LOCAL SELF-GOVERNMENT: HYPOTHESES TOWARDS A DIAGNOSIS

Irrespective of the form or type, ULSGIs in India have been created by statutes which also define their jurisdiction, powers, functions, financial and personnel resources and pattern of external controls. With the launching of the Constitution of India on January 26, 1950, the statute-making power in this regard has been vested in State legislatures. However, given the well-



known operational dynamics of the Westminster model of parliamentary democracy, it is only a formal disguise for exercise of this power by the state executive—the council of ministers headed by the Chief Minister. Thus, what was a political premium (*i.e.*, the elective basis of ULSGIs) in pre-1947 India which, in turn, gave an unprecedented boost to the prestige enjoyed by municipal institutions (with political stalwarts, like Jawaharlal Nehru, Sardar Patel and Subash Chandra Bose being chairmen of one type of ULSGIs or the other during the formative phase of their political career) has, after the introduction of popularly elected representative institutions at the centre and state-levels, become a ritual, because neither the council of ministers nor the legislative assemblies are enthusiastic enough to part with their own powers, functions and structural controls in order to promote and sustain the growth of democratic municipal institutions which would imply that they are also controlled by people's representatives who, in turn, have their own electoral base.

More recently, the electoral competition for people's representation has assumed a distinctive *political* profile as India's freedom-winning political party, the Indian National Congress (INC) and its different off-shoots and incarnations, have found it progressively more difficult to secure seat-majorities (the question of vote-majority being simply academic in the Indian first-past-the-post election system) in the municipal corporations and municipal councils all over India; even with respect to boards and committees in smaller towns and cities its electoral record has been rather uneven. It is only fair to add that it is not only that the INC has found the urban electorate hard to woo; the various non-Congress political formations (including the coalition-type SVD governments which came to power in the wake of the 1967 elections as well as the Janata Party which ruled at the Centre after the 1977 Lok Sabha elections) have fought shy of holding municipal elections and few of them have cared to implement the municipal reforms which forms a stable component of their political rhetoric.

The disenchantment of state-level ministers and legislators with the position of rival centres of political power and administrative patronage which municipal corporations and municipal councils would tend to become, has produced several negative repercussions on the growth of ULSGIs in India which may be schematised as follows:

#### *Political*

- (i) Non-upgradation of municipal status;
- (ii) Repeated dissolution and supersessions of municipal institutions;
- (iii) Non-holding of municipal elections;
- (iv) Creation of alternative institutional structures; and
- (v) Partisanship in the nomination of non-officials.



*Administrative*

- (i) Retraction of pre-existing municipal functions;
- (ii) Non-devolution of newly-emergent functions;
- (iii) Proliferation of multiple structures;
- (iv) De-municipalisation of revenue-sources; and
- (v) Devaluation of the authority of deliberative wings.

Without going into the details of the political repercussions of electoral competition between state and local representative institutions, we would like to emphasise that this constitutes one of the most important reasons for the continuing decline in the efficacy and efficiency of ULSGIs as also of the relatively lesser but nevertheless real eclipse of PRIs in India. After all, the basic foundations of urban local government were laid several decades ago when total urban population was itself quite small, let alone the question of a conscious citizenry agitating and asserting its municipal rights and yet during the last 3 decades or so nothing has been done to improve or upgrade the capabilities of institutions cast primarily in representative (and not administrative) moulds. To add to the woes caused by this genetic structural obsolescence is the persistent default of various state governments in ensuring that the batteries of municipal government are constantly re-charged; the state-level power-elite are, in fact, reluctant even to upgrade the status of municipal institutions in tune with the phenomenal growth in population with the result that even such important million-plus city as Jaipur continues to be endowed with a municipal council and several class I cities and larger towns have to make good with municipal institutions of a status inferior to that warranted by the size of their population.

The administrative consequences of political antipathy of state leadership towards local-level elective institutions are even more dangerous; whatever structural autonomy and functional diversity the ULSGIs enjoyed even on the eve of independence are being gradually whittled down either by way of direct de-municipalisation of services and functions hitherto performed by ULSGIs or by constitution of alternative institutional structures to handle the newly-emergent needs of the fast-growing towns and cities of India. In terms of sheer administrative efficiency, some of these alternative structures can claim certain obvious advantages associated with externalities of large-scale operations and specialised spheres of functioning, but there are strong grounds to suspect that the proliferation of such single-purpose institutions has something to do also with the desire of the state-level political leadership to keep the patronage involved in provision of municipal services under their direct control by establishment of single-line administrative agencies and authorities rather than upgrading the existing municipal organisations to handle such tasks because the latter inevitably raises the question of the political label of the hand which directs the local-level delivery systems.



The ULSGIs in India have, thus, undergone a long period of neglect rather than reform; this stands out very clearly in sharp contrast to the substantial public and academic attention showered on their rural counterparts with the Government of India even appointing a committee (in 1971, there had been, in fact, a talk about a National Commission) to review the structure and performance of PRIs in 1978, while several such state-level exercises had been undertaken during the sixties and seventies. True, as hinted earlier, the entire field of urban development has witnessed a large number of innovations and reforms but most of them have been outside the institutional structure of ULSGIs in India. Thus, Calcutta has been given a Calcutta Metropolitan Development Authority and Bombay a city Industrial Development Corporation and several large cities have also been endowed with Development Authorities such as the Delhi Development Authority but, so far, no attempt has been made to integrate the activities of these bodies with the conventional Municipal Councils/Corporations which also continue to function in these metropolitan centres. Similarly, the emergent tasks of pollution and looking after of sewerage and water supply have been inevitably entrusted to special-purpose public undertakings which have been endowed with a variety of organisational forms without any attempt to dovetail them into the pre-existing framework of municipal institutions. Again, land and housing development in cities and towns has been either entrusted to statutory Urban Improvement Trust or DDA-type Development Authorities which are headed or dominated by the political appointees owing allegiance to the ruling party. To give yet another example of the by-passing of ULSGIs, we might mention the semi-autonomous Housing Boards which have been entrusted with responsibilities for provision of house construction and sale of built-up houses and apartments in large cities and small towns. Similarly, such conventional urban services as health and transport are also being kept out of the municipal area with the result that urban residents of most large cities and small towns rarely come into contact with municipal institutions whether they happen to be of the committee or council type. The residents of metropolises like Calcutta, Bombay, Madras, Hyderabad, Ahmedabad and Bangalore, etc., of course, come into greater contact with ULSGIs but even then the fact, nevertheless, remains that no new function has been added to the repertoire of these Municipal Corporations and the more important techno-economic needs of the burgeoning population of these cities are being increasingly met by special-purpose organisations with a statewide span of operations and not local institutions of urban self-government.

The capacity of the ULSGIs to provide even the conventional municipal services is being further eroded on account of de-municipalisation of the more remunerative sources of income or bases of revenue. The fact of the matter is that not only the state governments but even the Union government in India have constantly been on the look out for lucrative sources of



revenue and have never hesitated to take such revenue-sources out of the jurisdiction of ULSGIs; two most outstanding examples of such de-municipalisation of resources being entertainment tax and sales tax which, if they had been left with the municipal institutions as per the original statutory enactments, would have changed the face of municipal finance in India. Saddled with inelastic sources of income, most of the ULSGIs in India are hard put even to maintain the quantum and quality of services which they used to provide during the thirties and forties, let alone the question of handling the functions generated by rapid increase in the population of small and medium-size towns on the one hand and the irresistible snow-balling of the metropolitan population of the million-plus cities on the other.

The upshot of resource base shrinkage and functional bypassing of the ULSGIs has been the growing public apathy towards the municipal institutions with the urban citizens looking towards a large number of single-purpose institutions for meeting their requirements for housing, water and electricity supply, commuter transport systems and primary health services, etc., etc. The general apathy of the citizens towards the elective municipal institutions accentuates internal struggle between the executive and deliberative wings, with the municipal executive slowly getting the upper hand as it becomes accustomed to operating for long periods without any supervision by elective representatives of the people. In the process the citizens get further disillusioned. Thus the vicious circle goes on and on.

The problems of municipal government in India are further compounded by the non-recognition of ULSGIs as part of the planning process. Being regarded as non-plan non-development institutions, the various types of urban local self-government institutions are deprived not only of the short-term benefits of receiving enhanced grants and grants-in-aid in successive plans but their long-run interests also suffer as they are left out of the regular nationwide planning exercises. In fact, municipal finance is not even dovetailed with the State Plan and various ULSGIs receive only projectwise grants without being given an idea regarding the total size of state assistance for revenue and capital budgeting. In this respect at least, if not in others where similar processes had been afoot, PRIs have been better off than the ULSGIs.

#### RURAL TYPOLOGY OF URBAN PROBLEMS

Revitalisation of the stagnant and almost non-functional institutions of urban local self-government in India, is, thus, a formidable task. But given our commitment to democratic norms of "people's participation" it must be attempted (and attempted sooner rather than later) when India's urban 'population' is likely to become well-nigh beyond control.

In this 'Concept paper' we need not dilate upon the necessity of participative management of development—whether in the rural or urban sector—



but we would certainly like to emphasise that the current Indian experience shows that it is far more easier to achieve it in the rural sector than in the fast-expanding large cities and metropolises which have been endowed with legal-formal structures ensuring representativeness but which are today ensuring neither representative democracy nor administrative efficiency to cope with the ever burgeoning problems of urban development. In part, the failure is *conceptual*; no one (politico-administrative elite as well as academic researchers) has considered it desirable to devote to the problem the attention it deserves as has been lavished on the comparable problems of management of rural development.

All said and done, policies, programmes and administrative strategies for development management emerge only from think-tanks like the UNCRD or World Bank or Planning Commission or academic organisations like universities and research institutes but the potentially explosive issues of India's metropolisation have attracted far less intellectual attention than what they should. Even at the risk of digression, it would bear emphasis that India, with a population of less than 700 millions and ranking much lower than China in production of most important industrial outputs, already has an urban population which is roughly one-fourth of its total population. In contrast, China, with a much larger population, and greater industrial output and higher growth rates of GNP and as well as per capita incomes, has only 13 per cent of its total population as urban. It is in this sense that we are talking of the need to pay attention towards 'retro-fitting' the ULSGIs with tools, techniques and operational procedures borrowed from India's experience in democratisation of development administration under such well-known ideas and institutional structures as *Panchayati Raj*, *Antyodaya* and Integrated Rural Development Programme (IRDP). In fact, the essence of IRDP, which lies in targeting of remunerative assistance towards below-the-poverty-line beneficiaries, has already been extended towards urban clientele in some states like Rajasthan and more such rural-to-urban transfers of development management technology are likely to occur sooner than the so-called specialists in urban local government or urban development management are likely to visualise, let alone plead for, at the present moment.

A significant proportion of India's current and emergent problems of urban development management are *rural*; this view, should provide the rationale for transfer of strategies with a view to strengthening the ULSGIs which are being increasingly relegated to the side-lines as a host of other institutions and organisations are being established to take care of the basic needs of India's fast expanding cities and towns. This approach is all the more necessary if we want to focus or target the municipal services towards the 'urban poor', most of whom resemble citizens of rural India even though they might be residents of metropolitan territories basically. In sum, our basic thesis is that "urban poor in India are largely of rural





character".<sup>2</sup> The arguments in support of this thesis are not far to seek.

First, rural-to-urban migration (and not natural increase alone) is the major reason behind the growth in India's urban population, especially after 1961. This is so even though a vast amount of migration in India is only short-distance (*i.e.*, from one village in a Tehsil to another village in the same Tehsil or from one village to another town in the same district). But the fact that India's overall growth-rate during 1971-1981 was only 24.75 per cent, whereas its urban population had a nearly double growth-rate, *viz.*, 46.02 and its class I cities had even a higher growth rate of 56.83 per cent indicates that India has not been so successful as compared to, say, China, in controlling the outmigration of rural people to its towns, cities and metropolises, all of which contain large segments of first and second generation ex-ruralites who cannot be expected to have become totally de-ruralised, let alone urban *per se*. Further, there is also the phenomenon of floating population coming from rural to urban areas for temporary/casual employment in situations of drought and floods or to get over lean employment/unemployment.

Secondly, in every town, city and even in metropolitan centres like Calcutta and Bombay, one comes across a large number of people following occupations which are essentially rural, *viz.*, animal husbandry, poultry, rope-making, basket-weaving and a variety of other cottage industries and handicrafts. To this list we might add almost all the urbanites engaged in what is now called the 'Informal Sector' as well as people performing traditional *Jajmani* services, *e.g.*, barber, washerman, goldsmith and the like. One can find people following these occupations in every town and city of India and even in the most populous metropolises like Calcutta and Bombay their professional, domestic or social life-style has been de-ruralised only partially. Again, every town and city of India and even the metropolises, although they are trying their best to eliminate it, continue to harbour a large chunk of scheduled caste population which specialises in scavenging and providing other basic sanitary services which have not been mechanised entirely—*e.g.*, carrying head-loads of night soil. These people are urban only territorially; their social and cultural values are in no way different from their rural counterparts and, in any case, their needs and wants cannot be fulfilled by devices typical of Western-style urbanisation where most of these services have been totally mechanised.

Thirdly, almost every medium and large urban centre in India is now beginning to develop slums and squatter colonies inhabited by families engaged in the 'informal sector' as well as more organised industries such as

<sup>2</sup>In fact, as George V. Coellio and Jane J. Stein have put it: "Most of the human race is still rooted in a rural way of life. If present trends continue, this will be an urban planet with more than two thirds of our race living and working in towns and cities by the year 2000", urban stress in *Urban India*, Vol. 3, No. 3, September 1983, p. 13.





construction work, brick-kiln factories, mining and quarrying and urban transportation. In the case of bigger cities, even people earning incomes in the income-taxable range, can also be found to be living in such tenements and unauthorised colonies. These people are definitely less rural than those mentioned above and they are certainly conscious of the need to have access to such urban facilities as water, electricity, medicare and public transport but their actual entitlement is far below what the urban residents of middle-class and posh colonies regularly get. Although one hears so much about slum-dwellers and squatters, actually very little academic study of the social and economic life of such people has been made and even the policy-makers and administrators are groping in the dark as far as handling of their problems are concerned. In view of their rural background and village-type social life-styles, the well-proven strategies and delivery systems evolved for purposes of administering such programmes of rural development as Training to Rural Youth for Self-Employment Schemes and Small Farmers Development Agency are, however, likely to be viable in case of such urban poor also, though they will have to be given an urban orientation.

Fourthly, we also come across a section of the urbanites who are poor but not rural, *viz.*, beggars, pavement-dwellers and others engaged in a variety of criminal and immoral activities such as smuggling, boot-legging and prostitution, etc. Most of these 'urban poor' are likely to remain outside the network of any kind of urban development agencies and perhaps only well-trained social work specialists can have any access to them outside the ordinary 'law and order' machinery. Even with respect to this section of veteran urbanites, approaches based on Rural Sociology are likely to have some appeal, especially those who have newly arrived after deserting their not-so-poor rural assets. The conventional ULSGIs deal with this section of 'urban poor' just as they deal with residents of high-rise apartments. However, in case the municipal bodies are equipped with social workers *also* trained in Rural Sociology, quite a sizeable percentage of this type of rural-to-urban migration can be prevented through ordinary methods of counselling, persuasion and publicity in the urban as well as the rural areas which are breeding grounds of this type of urban poor population.

Lastly, another rural dimension of India's urban development lies in the fact that it inevitably, especially with reference to class I and class II cities, involves gradual encapsulation of rural areas within municipal boundaries. The phenomenon of rural-urban continuum as reflected in 'ruro-urban' and 'peri-urban' development has been, in fact, the most well-studied aspect of urban development management in India and in some cases the necessary policy-conclusions have also been embodied in the structure of the newly created bodies like Development Authorities. However, the benefits of these researches and analyses have not yet been extended to the ULSGIs.



#### AUTONOMY VS WEB OF RELATIONSHIPS

We may now turn to unresolved common problems of PRIs and ULSGIs which relate, in vertical terms, to jurisdictional overlap among different levels of government and, horizontally speaking, to the existence of competitive delivery systems. As far as the first is concerned, it cannot be altogether avoided, as in developing countries like India, development, whether of urban or rural areas, will have to be a shared responsibility of the central, state/regional and local governments. Yet to whatever extent devolution and earmarking of jurisdiction is possible, it must be attempted so that local government institutions develop an identity of their own and become both responsible and responsive. As far as the second is concerned, the effort should be to have a unified local authority at urban/rural local levels, providing all the facilities that fall within its jurisdiction to the people of the area. Specialised agencies may be created to work under its umbrella and not in spite of it. Then alone PRIs and LSGIs will catch the psyche of the people and become viable instruments of their development. So long as this is not done, the crisis of identity of PRIs and LSGIs will persist and these would not succeed in delivering the goods. The argument can be best summed up in the words of U. Hicks as follows:

Local body is the only governing institution which has contacts with the maximum local population and is aware of local needs and problems. It is better placed to provide right things at the right place and at the right time and can utilize the co-operation of people being under its jurisdiction to make the programme a success... the key of success lies in the development of an efficient and democratic system of local government... local, because the system of government must be close to the common people and their problems; efficient, because it must be capable of managing the local services in a way which will help to raise the standard of living; and democratic, because it must not only find a place for the growing class of educated men, but at the same time command the respect and support of the mass of the people.<sup>3</sup>

#### LIMITATIONS OF THE ARGUMENT

The foregoing survey of the types of 'urban poor' and their needs is, of course, not intended to convey the impression that all the problems of 'urban poor' can be solved with the help of mechanisms derived from rural local self-government institutions nor should it be taken to mean that all the 'urban poor' can be brought within the focus of ULSGIs by retro-fitting them with IRDP—type operational procedures or Antyodaya-type targeting

<sup>3</sup>U. Hicks, *Development from Below*, London, Oxford, 1961, p. 4.



mechanisms within the framework of modified institutional structure suggested above. The point that deserves to be highlighted is that local-self-government institutions operating in rural India have been endowed with an anti-poverty focus and that also as part and parcel of the planning process, both of which are germane to ULSGIs also. PRIs have already acquired some experience in this regard, despite the disenchantment of the politico-administrative elite at higher echelons with them also. This experience can at least be partially transferred to the urban arena where the poorer sections are more rural than urban, all the more because in the Indian context at any rate 'urban' and 'rural' are not exclusive domains but part and parcel of a living and interactive continuum. □

# Development Administration and Rural Development Strategy in Kenya: A Review of its Special Rural Development Programmes (SRDP)\*

H.K. Asmerom

IN REASSESSING the well-trodden theme of rural development strategy, undertaken on experimental basis, a few questions must be asked at the outset. First, what was the SRDP all about? Second, how did it originate and how did it end up? Third, what were the lessons gained from this unique experiment, especially from the point of view of administration for rural development?

Before we tackle the theme in its various aspects, a few facts and trends are worth noting, primarily as an orienting background.

## THE BACKGROUND

The country achieved independence in 1963 under a parliamentary system of government: the Kenyan African National Union (KANU) formed the government and the Kenyan African Democratic Union (KADU) was the opposition party in Parliament.<sup>1</sup> The country retained its political link with the British Crown as the Queen continued to be the head of state of the new nation—an arrangement which was not unique for Kenya. However, the link with the British Crown was severed when the country declared itself a republic in 1964 with Jomo Kenyatta as its first President. The move to create a republic was considered a vital step to the realisation of the country's full independence. With the declaration of the republic, KANU swiftly asserted itself as the only credible political party in the country dedicated to the well-being of all Kenyans. Apart from the undeclared intricate inter-

\*It is an abridged version of part of a literature study report on the background and perspectives of Administration for Rural Development in Kenya and Tanzania completed last year. In its draft form, it was presented to the Workshop "Staat en Maatschappij in Afrika" held at the African Studies Centre, Leiden in December 1981. Comments and suggestions received from Workshop participants have been incorporated in this article. While I am thankful to all those who contributed to its improvement, I am solely responsible for all possible weaknesses and shortcomings that might still be detected in it.

<sup>1</sup>C. Gertz, M. Goldschmidt and D. Rothschild (eds.), *Government and Politics in Kenya: A Nation Building Text*, Nairobi, East African Publishing House, 1969; and C. Gertz, *The Politics of Independent Kenya*, Nairobi, East African Publishing House, 1970.



tribal and inter-factional manipulations, a series of legitimate constitutional amendments were introduced and a Little General Election was held to eliminate and discredit all forms of opposition including splinter groups from within the party itself. In the process, a powerful presidency was institutionalised and a highly centralised bureaucratic machine was created to ensure the President's rule through the country and to carry out socio-economic programmes in accordance with the government's policy of 'African Socialism'.<sup>2</sup> In fact as it turned out to be, the leaders did not abandon the administrative framework and its orientations as well as the practices they inherited from the British colonial rule.<sup>3</sup> In its new face, the bureaucracy became a tool of presidential rule. At the same time, members of the bureaucracy, especially those at higher echelons at the central level and in the provincial and district administrations, emerged as a privileged interest group. Together with other interest groups (the commercial and business entrepreneurs as well as rich farmers) in the country and supported by capital from abroad, they emerged as advocates of and participants in the capitalistic pattern of development that was being planted in the country. In this context, an unmistakable line of patron-client relationship emerged as a safeguard to the continuity of this pattern of development.<sup>4</sup>

Like many other nations in Africa, Kenya is characterised by the diversity of its tribes. The tribal composition is very uneven. Some tribes, very large in size, have a dominant position in the society—both politically and economically—while others, being minor, play more or less a secondary role in influencing events and trends. In the past almost all the tribes in the country were seen as a reservoir of cheap labour for the town-based industrial activities and the agricultural estates and large farms that were owned and managed by the community of colonial settlers. They were relegated to subsistent or semi-subsistent occupations in the so-called reserve

<sup>2</sup>"African Socialism", as defined and elaborated by the Kenyan Government in its policy document entitled "African Socialism and Its Application to Kenya (1965)", has been castigated by the opponents of the regime as a "meaningless phrase" and "a cloak for the practice of total capitalism" [see Gertzel *et al.* (eds.), p. 150]. For full discussion and commentary on African socialism and its application to planning in Kenya, see T. Mboya, *A Challenge of Nationhood: A Collection of Speeches and Writings*, London, Heinemann, 1972, pp. 73-105; and A. Mohiddin, *African Socialism in Two Countries*, London, Crom Helm, 1981.

<sup>3</sup>G. Hyden, R. Jackson and J. Okumu (eds.) *Development Administration: The Kenyan Experience*, Nairobi, Oxford University Press, 1970, pp. 3-22, and 319-334.

<sup>4</sup>M. Tamerkin, "The Roots of Political Stability in Kenya", *African Affairs*, Vol. 17, 1978, pp. 301-316; H. Bienen, "The Economic Environment", in H. Goran, R. Jackson and J. Okumu (eds.), *Development Administration: The Kenyan Experience*, Nairobi, Oxford University Press, 1970, pp. 25-248; H. Bienen, *The Politics of Participation and Control*, New Jersey, Princeton University Press, 1974; and Gertzel, 1970, *op. cit.*



areas, i.e., the least economically viable areas of the country.<sup>5</sup> After independence, basically to fulfil some of the liberation slogans, attempts were made by the KANU-led government to correct some of the glaring injustices by redistributing land (mostly on sale) to Kenyan Africans. However, as it turned out, such land redistribution programmes and the process of Africanisation of the economy as a whole were not far-reaching enough to reward the peasant masses in a more equitable manner as dictated by the promises of African socialism. Instead, the process of Africanisation and the transfer of wealth from the colonial settlers to Kenyan Africans was restricted to the creation of a handful of local capitalist-oriented rich farmers, commercial and business entrepreneur.<sup>6</sup> In this way, a trend had been set in motion to create a class stratification in the country and to promote a capitalist pattern of development similar to the one that prevailed under the colonial rule. At the same time, the economy was increasingly integrated into the international capitalist system with foreign investment and multinational corporations actively taking part in the new design of development strategy.<sup>7</sup> As this design continued to establish itself as the basis of the country's development strategy, the new emerging class became increasingly dependent on foreign capital and international monopolies. In the meantime, the so-called peasant mode of production was seen as a supplement to the capitalist system of economic activity. This means the mass of the peasants directly or indirectly became increasingly subjected to foreign capital. With these trends at full swing, the peasant masses were denied many of the social, economic and political rights promised to them at the eve of independence. Thus, while the country was overwhelmed by the renewed wave of a capitalist pattern of development and it increasingly submitted itself to the dictates of the 'contradictions of neo-colonialism' instincts for political survival, if not genuine concern to raise the standard of living of the vast majority of the rural people, seem to have urged the Kenyan Government to introduce a number of officially-sanctioned programmes, including the special rural development programmes (SRDP). However, before we discuss the SRDP in some detail, a brief reference should be made to the symbolic rural development efforts that were carried out during the colonial period. The initial efforts to promote rural development

<sup>5</sup>The main tribes of the country which had population figures of half a million and above in 1969 include: the Kikuya, the Embu, the Meru, the Luo, the Luhya, the Kamba, the Kalenjin, the Kisii and the Mijikanda. For details, see C. Leys, *Underdevelopment in Kenya: The Political Economy of Neo-Colonialism*, 1975, London, etc., Heinemann, p. 276. For a discussion of the races and tribes in terms of nation-building processes, see Gertzel *et al.* (eds.), 1969, pp. 21-53.

<sup>6</sup>See C. Leys, *op. cit.*; and N. Swainson, *The Development of Corporate Capitalism in Kenya, 1918-1977*, London, Heinemann, 1980.

<sup>7</sup>N. Swainson, *op. cit.*; C. Leys, *op. cit.*, pp. 255-288; and F. Stewart, "Kenya: Strategies for Development", in G. Damichi, G. Routh and E. Eli Taha (eds.), *Development Paths in Africa and China*, London, Macmillan, 1976, pp. 80-111.



programmes in Kenya can be traced to the so-called Swynnerton Plan of 1954. In principle this original plan had addressed itself to the development of rural areas throughout Kenya. However, in practice, the plan was confined to the development of the Kikuyuland where the colonial authorities spent about £ 11 million between 1954 and 1960, with the implication that less money was available for the rest of the rural areas. Even in the Kikuyuland itself, it was alleged that the aim of the plan was basically restricted to promotion of cash crops at the expense of subsistent agricultural production. As some studies indicate, this one-sided aim was more or less achieved, but it was at the cost of a truly integrated multi-purpose rural development programme. Indeed, it seems that very little attention was devoted to raise the standard of living of the rural people and to improve the quality of rural life as a whole.<sup>8</sup>

As it were, during the last stages of the colonial rule, British agricultural and administrative officers were deeply involved in settlement schemes, land consolidation programmes, large farm transfers, and in creating credit facilities to finance rural development programmes. In this context, it has been recorded that the initial settlement schemes—despite the fact that they created a great deal of organisational and political problems for the colonial administration, and that they incurred high short-term cost—are believed to have provided a blue-print for a massive extension of cooperative movement, while they served as demonstration effects for the spread of modern planned town centres in the agricultural areas. However, these token settlement schemes did not speed up the tempo of rural development in regions inhabited by Kenyan Africans.<sup>9</sup> At this juncture and at the risk of some deviation, the fact should be mentioned that *via* the Harambee Movement a variety of voluntary rural development programmes were being undertaken in the country, both before and after independence. As it were, the Harambee Movement—a self-help programme which is native to Kenya—embraces ideas of mutual assistance, joint effort, reciprocal social responsibility and community self-reliance. To this extent, Harambee schemes operated at the village level in the form of social exchange of labour and other forms of mutual rewards.<sup>10</sup> After independence, the idea and the ideals of Harambee were revitalised in full. In 1963, it was forcefully articulated by the late President of the country, Jomo Kenyatta, as a national strategy for development. Since then, the idea of Harambee became part and parcel of the Kenyan social scene. It has been employed to mobilise

<sup>8</sup>F. Taylor, "Spatial Aspects of Kenya's Rural Development Strategy", in S. Hoyle (ed.), *Spatial Aspects of Development*, London, John Wiley and Sons, 1974, pp. 167-187.

<sup>9</sup>B. Brack, *Political Administration and Rural Development in Kenya: Lessons from Settlement and other Rural Programmes*, Michigan, University Microfilm Inc., Ann Arbor, 1977, pp. 243-253.

<sup>10</sup>P. Mbithi and R. Rasmusson, *Self-Reliance in Kenya: The Case of Harambee*, Uppsala, Scandinavian Institute of African Studies, 1977, p. 14.



the people for a variety of local programmes and voluntary self-help projects, including the building of schools, health centres, agricultural cooperative and other community facilities.<sup>11</sup> The secret to the successes scored by the Harambee Movement seems to lie in its voluntary character and the support it receives from politicians of all ranks as well as from the tribal chiefs with the help of traditional rituals employed to mobilise the ordinary people and to ensure their participation in Harambee projects.<sup>12</sup>

Based as it is on the country's traditional norms, value considerations, voluntary contributions and mobilisation for concrete action, the Harambee Movement is bound to continue to play a leading role in the country's development efforts at the grassroots level, despite the fact that the planners and the bureaucrats at the centre seem to see it as a nuisance and to that extent it should be regulated and subordinated to the targets of the national development plans.<sup>13</sup> At any rate, the gravity of rural problem which prevailed in the countryside in the 1960s urged the government to look for new, well-integrated and rational rural development strategy that could be tried experimentally to begin with and then replicated on a nationwide basis.

#### THE BIRTH OF THE SRDP

For a couple of years after independence, the Kenyan Government was primarily concerned with the immediate tasks of nation-building and with the consolidation of political power in the form of a *de facto* one-party state with Jomo Kenyatta as the unchallenged national leader and KANU as the dominant political party in the country. The party never had a solid grassroots organisation and lacked even an efficient and functioning party organisation at the national level. It was also infested with infighting and rivalries within itself.<sup>14</sup>

After the 1966 Little General Election, probably elated by its election successes if not motivated by genuine concern to raise the standard of living of the vast majority of the rural people, the government introduced a number of development programmes which included: (a) village politechnics, (b) multi-purpose district centres, and (c) the special rural development programmes (SRDP). The first two were restricted in their activities to youth and adult rural education respectively while the third innovation

<sup>11</sup>J. Okoru and H. Spiegel, "Harambee: Self-Help Development Project in Kenya", *International Journal of Comparative Sociology*, Vol. 21, Nos. 3-4, 1980, pp. 243-253.

<sup>12</sup>J. Okoru, *op. cit.*; and R. Otto, "Developing Communications and Communicating for Development: The Harambee in Kenya", (Paper presented at the 22nd Annual Meeting of the African Studies Association in 1979 at Los Angeles, U.S.A.).

<sup>13</sup>B. Thomas, "The Harambee Self-Help Experience in Kenya", *Rural Development Review*, Ithaca, Cornell University, 1980, p. 5.

<sup>14</sup>See Gertzel *et. al.*, 1969, *op. cit.*, and Gertzel, 1970, *op. cit.*





was developed into a general strategy for the promotion, coordination and implementation of specific but diverse rural development programmes.<sup>15</sup>

The SRDP was, thus, officially recognised and encouraged as the key strategy in the development of the rural areas of the country as a whole. To this extent, it received the greatest attention by politicians, administrators, advisors and scholars alike. As the result of these multiple enthusiasms of rural development strategy, which seemed to be the only viable solution to rural under-development at the time, a conference was held in 1966 at the town of Kericho in which prominent politicians, administrators and research scholars from the University of Nairobi, came together to study the problems of rural education, rural unemployment and rural underdevelopment in its diverse facets.<sup>16</sup> As it were, the deliberations of the conference produced an impressive stream of recommendations. Of course, it was a matter of commonsense that all the recommendations had to be funnelled on the creation of a series of experimentally financed pilot projects in selected districts of the country from which an integrated approach to rural development could be designed for nationwide application over time. Accordingly, eight concrete policy suggestions were put forward on how the integrated approach to rural development could be tackled on experimental basis.<sup>17</sup> These policy suggestions include: survey of existing rural activities; planning of all rural projects with the view of their replicability; establishing coordinating committees at the national level; selection of projects from different parts of the country; appointing a single government official to be in charge of all rural development efforts; seeking aid from abroad to finance the projects; creation of an evaluating unit as part of the effort; and last but not the least, ensuring that all programmes were handled through the existing government machinery.<sup>18</sup>

On the basis of policy suggestions mentioned above, the government gave its green signal for baseline survey to be conducted in 14 districts in different parts of the country in which the division was identified as a unit for the survey. From this initial survey, a conclusion was drawn to the effect that a major economic breakthrough of the 'miracle' variety should not be expected and that the problems of Kenyan rural development could only be solved by a slow, steady incremental change on a broad front. Moreover, the survey revealed the fact, that the administrative machinery, as it operated in the rural areas, was weak and inefficient. To this extent, reforming the administrative system along the line of a genuinely decentralised and participatory model was recommended as a matter of priority task.<sup>19</sup>

<sup>15</sup>Brack, *op. cit.*, p. 301

<sup>16</sup>J. Heyer, D. Ireñi and J. Moris, *Rural Development in Kenya*, Nairobi, East African Publishing House, 1971, pp. 1-6.

<sup>17</sup>Brack, *op. cit.*, p. 304.

<sup>18</sup>*Ibid.*, pp. 304-5; and Taylor, *op. cit.*, pp. 171-2.

<sup>19</sup>Taylor, *op. cit.*, p. 173.



Following the Kericho recommendations of 1966, the Kenyan Government appealed for external help for financing the SRDP. As a result of the appeal a number of international organisations as well as a number of countries from the west, including the Netherlands Government, favourably responded to the appeal and promised to finance the SRDP. Meanwhile, the Kenyan Government itself was found to be reluctant and even unwilling to contribute money to finance any of the SRDP. What is more, the government resented the specific conditions and suggestions which were put forward by many of the countries and organisations which showed their readiness to give aid to finance the project.<sup>20</sup> As a result of the looming disputes and disagreements, it was realised that the lofty recommendations of the Kericho Conference could not be translated into concrete programmes as expected by the idealist (or cynical) conference participants. This meant, in fact, that the process of institutionalisation of the SRDP assumed a steady and slow pace in the tangles of the decision-making process. With the complicated situation already at work, a committee was created in 1967 within the Ministry of Economic Planning and Development. The mandate of the committee was to review the scope and the magnitude of existing rural development efforts in the country as a whole and to suggest a design for introducing new and workable pilot projects. However, as it came out, the committee's report was not only critical on how existing programmes were being organised and managed, but also stressed that any new dramatic design of rural development programme should be preceded by a thorough study of prevailing rural development programmes in the country.<sup>21</sup> Thus, as a result of the committee's more or less negative report, the Government initiated fresh discussions in 1968. Consequently, a number of concrete decisions were arrived at in the same year. These decisions served, so to speak, as the definitive frame of reference for creating the SRDP. These decisions were as follows:

- (a) The size of a pilot project was to be limited to single administrative division within a given district.
- (b) The final number of the projects were to be about six (*i.e.*, one from each province with the exception of the North-East because of its lack of agricultural potentialities).
- (c) The final selection was to be made scientifically from 10 to 20 carefully reviewed areas.
- (d) An outside agency, *e.g.*, the University College would be asked to conduct the initial survey.
- (e) Preliminary survey was to be completed as soon as possible so that implementation could start in 1969.

<sup>20</sup>Brack, *op. cit.*, p. 305-6.

<sup>21</sup>Heyer, *et al.*, *op. cit.* 1971, pp. 1-2.



- (f) In order to ensure the objectivity of continuing assessment of the pilot programmes, evaluation was to be separated from the operational responsibility for the field programmes.<sup>22</sup>

Consequently, on the basis of the above mentioned decisions (frame of reference), the Kenyan Government and the Institute of Development Studies of the University of Nairobi jointly conducted a survey of rural development programmes in 14 different districts of the country. Incidentally, the survey was carried out in a matter of three months' period of time which was rather short to produce a reliable comprehensive report. At any rate, on the basis of this 'crush' survey, the government decided to launch projects in all the 14 areas instead of using the survey to select a limited number of them to start with the pilot projects as originally conceived. Moreover, looking at the SRDP as a new strategy for rural development from the point of view of development administration, the Institute of Development Studies (IDS) survey team agreed that the *division* (emphasis added) was an appropriate level where coordination and integration could be achieved, but in practice there were many obstacles. For instance, the divisions did not possess all the administrative and technical staff they needed to carry out their activities reasonably well. The divisions were found out to be a rather weak link in the government's administrative hierarchy. Moreover, in some cases, the divisional boundaries did not coincide with the division as a viable economic unit.<sup>23</sup> Even at the district level, the problems were quite many. Thus, as the Heyer team of researchers found out, there was frequent transfer of staff which was characteristic of almost all the central government departments in the rural areas. Further, there was no transport and communication links in several areas. Coordination between district and divisional teams was found to be ineffective while coordination between different departments was based on informal *ad hoc* basis and its effectiveness depended on the personalities of the concerned officials than anything else.<sup>24</sup>

The coordination of plans at the district and divisional levels was performed through the district and the divisional development committees. Alongside the development committees, there were also development advisory committees at the provincial and district levels. The development advisory committees were composed of members of the development committees, members of Parliament, members of the county councils, KANU chairmen and one or two other prominent local citizens. The development advisory committees were expected to discuss and eventually react to the proposals of the development committees. But very often they were ineffective in rendering the sort of advice expected of them while in many

<sup>22</sup>Heyer, *op. cit.*, p. 3.

<sup>23</sup>*Ibid.*, pp. 5-10.

<sup>24</sup>*Ibid.*, pp. 23-6.



provinces they existed only for a short period of time.<sup>25</sup> Community development committees existed at the provincial district, division, location and projects levels. Although these committees were more active than the development committees and attracted more local participation than the development committees, they were also not very effective in discharging their activities.<sup>26</sup>

At the time of its study (1968), the IDS team from the University of Nairobi also found out that the county councils were still responsible for several crucial services including primary education, health services, and secondary and unclassified roads.<sup>27</sup> The IDS team also detected that lack of coordination, which prevailed at the lowest levels, adversely affected rural development programmes; while the apparent inadequacy of transport and marketing facilities, lack of technical knowledge in developing the right type of crops and poorly organised training programmes had aggravated the already inadequate management of rural development programmes. To make a long and very grim story short, the overall findings of the 1968 IDS report concluded that in all the areas covered by the survey, the multiple problems which retarded rural development were either neglected or tackled in a very haphazard and inefficient manner. The team expressed its misgivings on the existing situation. The team observed: "the traditional measures and approaches to rural development could not offer much hope for sustained and nationwide success, and the much acclaimed extension breakthrough argument for rural development was of limited applicability to Kenya inasmuch as the selective introduction of high value cash crops could not serve as a strategy for balanced rural development and for equitable distribution of income throughout rural Kenya".<sup>28</sup> In other words, the approaches to rural development which prevailed in Kenya before the SRDP came into being, were not capable to overcome the short- and long-term problems of rural underdevelopment and the growing inequality between the rich and the poor which was rapidly taking place in the country since 1963. At any rate, as a plausible challenge to the monumental problems of rural underdevelopment, as discovered by the IDS team of researchers, the 1968 IDS report became the basis for delayed inauguration of the SRDP in 1970 in the form of pilot projects in six selected areas. The six characteristics which were adopted as a guide for its

<sup>25</sup>R. Jackson, "Planning, Politics and Administration", in Hyden G. *et al* (eds). 1970, *op. cit.*, pp. 171-200.

<sup>26</sup>*Ibid.*, pp.197-8; and Heyer *et al.*, *op. cit.*, 1971, pp. 27-8.

<sup>27</sup>These activities were taken over by the central government in 1970 as part of its centralisation process. See, for instance, Mulusa, "Central Government and Local Authorities", in G. Hyden *et al.*, (eds.), *op. cit.*, pp. 233-51.

<sup>28</sup>Heyer, *et al.*, 1971, *op. cit.* pp. 7-9.



successful realisation are:

- (a) coordination and integration of development efforts in selected areas.
- (b) experimentation,
- (c) maximum use of man and material resources in the field,
- (d) mobilisation and involvement of rural population to support and sustain development in their areas,
- (e) training and education of rural population so that they can fully participate in rural development programmes, and
- (f) replication of the planning and plan execution processes learned from the pilot areas in other rural parts of the country.<sup>29</sup>

To be sure, fate of the SRDP, as far as its future utility as a viable strategy for rural development is concerned, was heavily dependent on the idea of its replicability. This idea of replicability seems to have harboured from the start a questionable and a half-hearted gesture on the part of the Kenyan Government regarding its becoming a truly integrated approach to rural development.

#### SRDP AS AN EXPERIMENT IN ADMINISTRATION OF RURAL DEVELOPMENT

In the discussion so far, the background setting and an outline depicting the origins and the intended aims of the SRDP have been briefly dealt with. The prevailing administrative framework and its shortcomings as seen from the point of view of rural development, in general, and its implications for the SRDP, in particular, have also been discussed in the form of an outline. Let us now have a bird's eye view about the type of administrative set-up that was proposed for the purpose of the SRDP. To be sure, the proposed administrative set-up was expected to co-exist with the administrative machinery already operative in the country. To this extent, a remark can be made at this stage of our discussion that the prevailing administrative system was not expected to be reformed (disturbed) at all by the new administrative arrangements which were specially designed for the SRDP. This puts us in a paradoxical situation right from the start, as far as the administrative issues are concerned.

Anyway, coming to the issue at hand, it was proposed that at the national level, the Ministry of Finance and Planning was to be responsible for overall coordination of the SRDP. For this purpose, the ministry appointed a full-time official to look after the entire strategy of the SRDPs from the centre. Moreover, since the range of activities to be covered within the framework of the SRDPs involved a good many ministries, it was realised that a clear device had to be created so that the participating ministry at the

<sup>29</sup>Heyer *et al.*, 1971, *op. cit.* pp. 14 and 125-8.



headquarters level could receive, process and despatch to the field, information relevant to the SRDP. It was felt that new ideas and proposals both from the centre and the field should be communicated to either direction without delay. To this end, in 1970-71 each participating ministry designated an officer, who became known as the 'linkman'. The appointment of the linkman was also meant to ensure a satisfactory level of inter-ministerial coordination, both in matters of policy and in the range of activities to be implemented in the selected areas as part and parcel of the special rural development programmes. Thus, all relevant issues related to the SRDP had to be directed in the first instance, to the 'linkman' of the concerned ministry. The 'linkman' would then handle the issues with relevant department of his ministry and whenever necessary with the minister himself.<sup>30</sup>

It has been observed that the linkman system did not function in the same spirit in all the ministries where it was created. In fact, it worked more efficiently and effectively in ministries where senior officials with keen interest in SRDP were appointed to such posts while in other ministries, where the appointed linkmen had no experience of working in rural areas and were also not really enthusiastic about their duties, the system was far from being successful. In some other ministries, where the appointed officials were already fully occupied in other priority tasks, the linkman system was of limited value. These observations are, of course, obvious and common-sense conclusions which do not need to be based on extensive study of the entire administrative machinery. At any rate, the duties and responsibilities of the linkman were officially enumerated as follows:

- (a) Frequent visits to the SRDP area.
- (b) Handling SRDP-related problems for his ministry, which required close consultation with other operating ministries, including the Ministry of Finance and Planning.
- (c) Ensuring timely release of resources from his ministry for implementing SRDP projects.<sup>31</sup>

According to the Second Evaluation Report of the IDS (1975), the linkman system was a useful innovation, despite its weakness noticed in several ministries. It has been reiterated in the same report that the linkman system could be made more effective. In fact, the report went on to suggest that the linkman system could have been institutionalised as part of a drive to make

<sup>30</sup>IDS, Second Evaluation Report of the SRDP (1975), Institute of Development Studies (IDS), University of Nairobi, Chap. 19-1. Conducted at the request of the Ministry of Finance and Planning, this is a voluminous document having nearly 600 pages. Each chapter of the report begins with a separate page number. Therefore, Chap. 19-1 means chapter 19, page 1 in the report. The same pattern has been followed whenever a reference has been made to the 1975 IDS Second Evaluation Report in this article.

<sup>31</sup>IDS, 1975, *op. cit.*, Chap. 19-19.



Kenyan administrative system development-oriented. In this connection, the report further recommended that the officials, to be appointed as linkmen, should be persons with field experience in the relevant areas of activity and have sufficient motivation to accept the responsibility. Transport facilities and financial allowances were also recommended as a package of incentive for the linkmen to visit the SRDP areas as regularly as possible. It has also been suggested that linkmen from different ministries should meet to coordinate their policies and to ensure their implementation in the field as SRDP projects.<sup>32</sup>

In the field, where the SRDP were located, a new post of 'area coordinator' was created. In fact, district administrators, who were appointed to districts by the President of the Republic, were given this post. Thus, district administrators also became 'area co-ordinators' in places where special rural development programmes were launched. In their capacity as 'area co-ordinators', the district administrators were responsible to the ministry of Finance or Planning. They were, of course, still formally and primarily responsible to the President of the Republic as his personal representative in the districts of their appointment. At any rate, in their capacity as 'areas co-ordinators', the district administrators were expected to coordinate all activities concerning special rural development programmes and that of the personnel in the field taking part in these activities. The functions of the 'area co-ordinator' are given as follows:

1. To help officers at all levels to get the programme started and in particular to tackle problems as they arose at different levels—a role not of attempting to dictate to other departments, but of rendering support.
2. To act as a communication link between divisional, district and provincial levels as also interministerially between departments, speeding up communication of information.
3. To act as a contact man with representatives of the donors, evaluators and visitors.
4. To draw up time-tables and work programmes and to maintain the momentum of the programme.<sup>33</sup>

Regardless of the official list of functions, in practice, the area coordinators often found themselves in awkward situations: on one hand they were expected to coordinate and to push through the implementation of projects, while, on the other hand, they had no formal authority over their peers in other departments. To make their coordinating function as effective and

<sup>32</sup>IDS 1975, *op. cit.*, Chap. 19-19.

<sup>33</sup>R. Chambers, *Managing Rural Development: Ideas and Experience from East Africa*, 1974, Upassala, Scandinavian Institute of African Studies, pp. 38-39.



as rational as possible, a new administrative know-how known as the management information system was introduced. In fact, this new system eventually came to be known as the Programming and Implementation Management System (PIM System). As a refinement to the PIM system, a Project Committee was created to initiate and develop programmes which would be integrated into the SRDP and to revise and adjust the PIM System to rural circumstances. Further, a Field Staff Management System was introduced to improve the management and administrative procedures of field officers of the Ministry of Agriculture and other related ministries involved in SRDP.<sup>34</sup>

The PIM System was introduced by two research scholars, namely, Deryke Belshaw and Robert Chambers (who worked as advisers in the SRDP from 1971 to 1972 and from 1970 to 1973 respectively). The two scholars, in close collaboration with area coordinators and other officials from relevant ministries in Nairobi decided to suggest reform measures to streamline the Kenyan administrative system which they thought was inadequate from the point of view of development administration in general and from the administrative needs of implementing SRDP projects in particular. The result of their effort paved the way for formulation of the programming and implementation system. Thus, although it has been acknowledged that it is very difficult to describe the kind of PIM System introduced in Kenya, because it underwent several changes and adjustments since its inception in 1971, its main components included:

- (a) a project committee, which should meet three times a year;
- (b) informal meetings of area coordinators and SRDP staff;
- (c) an annual implementation and evaluation review;
- (d) an annual programming exercise;
- (e) an annual estimate exercise; and
- (f) an annual re-plan and submission of new proposals<sup>35</sup>

Chambers<sup>36</sup> underlined that a fully developed PIM System should contain three main components, namely: (a) A programme exercise to be held annually before or just at the beginning of the fiscal year. This exercise was to be attended by all those concerned with the implementation of the various phases of SRDP. (b) A management meeting which was to be held monthly and attended by all those concerned with the implementation of the SRDP. In other words, in such meetings, the work progress of projects were to be identified and recommendations were to be advanced to solve the identified problems and bottlenecks; (c) An action report or a monthly management

<sup>34</sup>R. Chambers, *op. cit.*, p. 39; and also IDS, 1975, *op. cit.*, Chaps. 19-4 and 19-5.

<sup>35</sup>Chambers *op. cit.*, 1974, p.43.

<sup>36</sup>*Ibid.*, pp. 44-5.





review, which should contain a brief summary of the progress made and the problems encountered in the implementation of the projects, had to be prepared. The action report was to be eventually sent to the concerned officials at the different levels of the administrative hierarchy. Although there seem to be differences of interpretations and emphasis between those outlined by the IDS Report<sup>37</sup> and the ones underlined by Chambers in the present paragraph. In essence, the PIM system was designed to bring about orderly and rational management and routinised procedures of the various special rural development projects.

#### FINANCIAL PROBLEMS OF THE SRDP

Right from the start, the financial picture of the SRDP was not only very grim, but it was also plagued by mixed feelings and uncertainties on the part of government officials and on the part of donor countries and organisations as well. For most part, the specific projects which were launched within the framework of the SRDP were totally dependent on foreign aid and to that extent the role of foreign experts was more visible in shaping and running the projects. In essence, therefore, the financial situation of the individual projects in all the areas, was characterised by what might be called a dependency syndrome which had found its way into the very heart of the rural areas of the country. The Kenyan Government itself did not seem to have taken the entire scheme very seriously despite the fact that it had spent a good deal of time and energy in conceptualising and in planning the SRDP. Nevertheless, as can be detected from the 1975 IDS Report, the government's financial support for the SRDP was very limited indeed.<sup>38</sup> As put by the same report, the concerned ministries did not include in their normal budgeting and planning procedures the specific needs of the SRDP as existed in scattered divisions. For instance, in the fiscal year 1974-75, none of the concerned ministries went above 5 per cent to include the needs of the SRDP as part of their recurrent expenditure. The rationale for such meagre financial allocation was attributed to the fact that the SRDP projects were so small in the larger context of development planning and implementation that planners and policy-makers in Nairobi gave the SRDP very little attention. Further observation into the financial picture also revealed the fact that the concerned ministries, in fact, never made a clear distinction between development expenditures and recurrent expenditures in the context of the district or division in which the total expenditures were allocated. This global budgetary picture created difficulties in finding out how much was spent on SRDP in comparison with the money allocated by the concerned ministry

<sup>37</sup>IDS 1975, *op. cit.*, Chaps. 19-3 and 19-4.

<sup>38</sup>*Ibid.*, Chap. 19-27.



for other activities in the particular divisions selected for the SRDP projects.<sup>39</sup>

The amount of financial aid which the Kenyan Government received from donor countries and international organisations has been characterised as close-ended in character. This means reasonable performance was almost always taken as a precondition for acquiring additional or new financial assistance from abroad. From this scheme of arrangements, it became very clear that the SRDP were often planned within fixed resource limitations as determined by outside forces (international agencies and donor countries) and not by the Kenyan Government itself, in accordance with locally perceived priorities and needs. To make the situation worse, there were allegations that the contributions obtained from abroad were, in fact, channelled to activities that were either not replicable to other parts of the country or to schemes and projects that conflicted with locally determined priorities.<sup>40</sup> As far as contributions from the Kenyan Government were concerned, the concerned ministries administered the funds they allocated for the SRDP projects directly from the capital. In many cases, this procedure seems to have boiled down just to the expansion of the district level budget rather than handing over extra money to the Area Coordinator. This means, in effect, local officials were not authorised at all to control the use of the financial resources assigned for the purpose of the SRDP. Apart from these general weaknesses, it had been revealed that a good number of ministries simply diverted at will the funds as well as other resources destined to the SRDP projects to ease the financial crisis in other divisions and districts in the same way as they have done with assistance they received from donors.<sup>41</sup>

Space does not permit to go deeper into this problem. Nevertheless, it can still be concluded that the unreliable and very limited financial provision (most of it came from abroad) as well as the haphazard manner in which it was managed, seem to have contributed to the ineffectiveness of specific projects and irrevocably disturbed the ultimate aims of the SRDP as a replicable strategy of integrated rural development in Kenya. However, the financial mismanagement, though a factor in its own right, seems to be only a partial explanation. There seem to be more serious problems and issues which rendered the SRDP a short-lived exercise in rural development activity. These seemingly pessimistic assessments on the financial situation seem to be an appropriate bridge to introduce the next and last theme of the article.

#### THE SRDP: SUCCESSES AND FAILURES

In the discussion, so far an attempt has been made to describe and analyse the origin, the aims as well as the concrete administrative arrangements and the

<sup>39</sup>IDS 1975, *op. cit.* chap. 19-27.

<sup>40</sup>*Ibid.*, Chap. 19-13f.

<sup>41</sup>*Ibid.*, Chap. 19-29.

type of specific projects that were identified under the SRDP. In this way, a skeleton outline of the SRDP has been presented as a strategy for bringing about integrated rural development in the rural areas of Kenya. In doing so, we have also pointed out some of the organisational and financial problems which were encountered by the SRDP since its establishment in 1968 until it was officially abandoned at the end of the financial year 1975-76.<sup>42</sup> Now we shall try to present an evaluation of the successes and the failure of the SRDP. The significance of this evaluation to future strategies of rural development (as exemplified by the basic needs approach) in Kenya will be given due consideration as a conclusion to the discussions as a whole.

As we have seen, a number of concrete structural innovations were introduced at various levels of the government hierarchy. These innovations seem to have brought some measure of success in the coordination and integration of policies and activities that were identified with the SRDP. Thus, at the central government level, an important organ—namely, the Ministry of Finance and Economic Planning—was given the task of overall responsibility for coordination of SRDP policies. Next to this ministry, the National Rural Development Committee (NRDC)—composed of the secretaries of the ministries of Finance and Economic Planning, Agriculture, the Treasury and other ministries who had responsibility for some kind of rural development programmes in the field—was established in 1969. Apart from giving prestige and the necessary formal attention to the SRDP as a would-be national programme in bringing the necessary structural changes into the rural periphery, the NRDC served as an appropriate forum to discuss, in an integrated and duly coordinated manner, various aspects of concrete SRDP projects and advise the concerned ministries accordingly. As discussed earlier, a 'linkman' system was created in each ministry to facilitate screening of issues pertaining to SRDP in his ministry and also to act as a catalyst in inter-ministerial cooperation on all matters of common interest. According to the IDS Report of 1975<sup>43</sup> the linkman system proved to be successful in those ministries where senior and experienced officers were appointed to this post on full-time basis.

In the field, where specific SRDP were launched, an area coordinator, who was also the administrative officer of the district, was appointed to harmonise and to integrate the SRDP projects and related activities. The area coordinator also served as a communication link between the divisional, district and provincial administrations on all matters related to SRDP projects. In order to encourage local participation in the decision making process, development committees were created at the district and the provincial levels. Additional administrative innovations, which were introduced for the purpose of efficient and effective management of the SRDP

<sup>42</sup>IDS, 1975, *op. cit.*, Chap. 1-1.

<sup>43</sup>*Ibid.*, Chap. 19-18 and 19-19.

included the Programming Implementation System (PIM—comprising a number of elaborate procedures and techniques, the most important of which were the Project Committee and the Field Staff Management System. These administrative designs in their entirety can be said to have introduced some basic elements of participation and routinised (rational) management in rural development programmes both at the national and rural levels where actual implementation of SRDP had to take place. The positive aspects of the PIM system has been evaluated by Chambers<sup>44</sup> in terms of the following criteria: (a) authoritarian management, (b) wasteful meetings, (c) excessive reports, (d) departmentalism, (e) top-down targetry, (f) inadequate resources, and (g) ineffective work programming. Thus, according to him the PIM system, as a design to the administration of rural development, succeeded to reduce the dysfunctional elements implied in these criteria of evaluation. For instance, with reference to the first criterion, Chambers argues that authoritarian management could be drastically reduced since the flow of demands along the hierarchy had been reversed “so that subordinates could make demand of their superiors, putting pressure on them to provide whatever assistance they need to improve their productivity”<sup>45</sup> To this extent, the area coordinator acted as a sort of ‘therapist’ by encouraging his subordinates to make their views known. Authoritarian relationship was also avoided in the group meetings in which participation by officials from different departments and from different levels was fostered. It should be remembered, however, that these general as well as concrete positive evaluations of the newly introduced management tools in running the SRDP are those of the ‘architects’ of the programmes.<sup>46</sup>

The critics of the SRDP on the other hand, were quick to point out the defects and the shortcomings of the PIM system. For instance, Morgan<sup>47</sup> has given an assessment of the PIM System in which he warns that in the administrative hierarchy in the provinces and in the relevant ministries at the centre, the system failed to be an effective management tool. Indeed, there are many more writers and commentators, who argue that the PIM System, as applied to the SRDP of Kenya, did not succeed as an administrative innovation. They all seem to share the view that the PIM System could not fit into the Kenyan administration. Looking at the SRDP in its totality, Leys argues<sup>48</sup> that the new strategy began to experience trouble just a year after its formal operation. Thus, according to him, the SRDP was characterised by confusion about objectives, excessive involvement of foreign experts, lack of support from senior civil servants and top politicians, and lack of trained field staff, among others. The combination of

<sup>44</sup>Chambers 1974, *op. cit.*, pp. 48-54.

<sup>45</sup>*Ibid.*, p. 49.

<sup>46</sup>*Ibid.*, pp. 43 and 52.

<sup>47</sup>Morgan, 1979, *op. cit.*, pp. 165-8.

<sup>48</sup>Leys, *op. cit.*, pp. 230-1.



all these factors bogged down the smooth operation of the various projects identified with the SRDP. What is more, Leys argues, the SRDP was in fact contrary to the inherently urban-oriented development strategy which underlie the overall government development policies. In this situation, the SRDP could only be seen as off-setting the urban bias of underdevelopment. In fact, Leys sees the SRDP as a utopian wishful thinking in the sense that it saw the possibility of an orderly pattern of rural development "based on general rural equality and social cohesion, when both of these things had already been largely destroyed or being destroyed as fast as possible by other components of agricultural policy".<sup>49</sup> The reference here is, of course, to the big agricultural estates, cash crop plantations and other commercial farms as they have been mushrooming in the richer parts of the country since the country gained its independence. Leys further comments that, in addition to all the unfavourable circumstances and misconceived start, the position of the provincial administration, in the early stages of the SRDP, was more of an obstacle and a threat to rural development, because the primary commitment of the central government which he represented was not the development of the rural areas, but as in the colonial times, to control and check the development of the rural areas in the interest of the large farm and urban capitalist sectors.<sup>50</sup> In a slightly different line of critical remark, Mutiso has concluded<sup>51</sup> that the SRDP was a failure because there was heavy reliance on foreign experts, who did not possess the temperament, the ideology and the commitment for rural development. Further, in the views of the same writer, the foreign experts—the men who were responsible for designing and developing both the SRDP and the administrative aspects of it—did not take into account what he calls the principles of local participation, adequate planning, communication facilities and technical knowledge, especially in the area of agricultural technology. Mutiso also rejects the idea that the SRDP had something to do with viable and innovative rural development schemes. He makes his point very explicitly that the various projects which were advertised as SRDP either existed as operating ministry programmes or as self-help Harambee projects. At the same time, he dismisses the idea of replicability because there was nothing that could be considered for replication. Thus, while Mutiso's views and evaluations are very negative, one has the feeling that such views seem to suggest that many other Kenyans shared similar disenchantments on how the SRDP was artificially conceived and eventually mismanaged at various levels of the Kenyan bureaucracy.

According to the IDS Evaluation Report (1975), the main causes which detracted the SRDP from its main course of action include: (a) diversion

<sup>49</sup>Leys, *op. cit.*, p. 231.

<sup>50</sup>*Ibid.*, pp. 231-2.

<sup>51</sup>C. Mutiso, *Kenya: Politics, Policy and Society*, Nairobi, East African Literature Bureau, 1975, pp.132-161.



of material and personnel assigned to specific SRDP projects to other ongoing activities of the regular ministries; (b) high turnover of staff in charge of SRDP in the sense of quick and untimely transfer of officials from SRDP projects to other posts; (c) many SRDP were just normal service and development activities of the concerned ministries and could have been carried out without any publicity that they were SRDP; (d) prevalence of general shortsightedness of project committees and other officials in the field and also of officials at the central government level with regard to the possible impact of the SRDP on integrated rural development as a whole; (e) lack of adequate and reliable information which was badly needed for the planning of SRDP; and (f) lack of adequate and clearly demarcated financial provisions. It should be noted that these factors merely represent, in a highly simplified fashion, an otherwise detailed diagnosis presented in the IDS Evaluation Report.<sup>52</sup> All these views and evaluative statements presented above do, in fact, reveal that the SRDP was a genuine failure as a strategy for integrated rural development. At the same time, the substantive administrative and management innovations that were introduced for the purpose of the SRDP were not wholeheartedly accepted nor fully understood by the officials in the Kenyan bureaucracy, both at the centre and in the rural areas.

In addition to all this, although not explicitly discussed in the studies and evaluations which we could get access to, the fundamental factors which precipitated the failure of the SRDP as a nationally sponsored rural development strategy might in fact be attributed to the newly created socio-economic and political environment of the country. As it were, this environmental setting has been characterised by the emergence of a capitalist pattern of development. This emerging pattern necessarily entailed the formation of alliances between different interest groups embracing both national and international capitalist classes, on one hand, and the creation of rural class stratification and differentiation, on the other. The implications of this state of affairs for inequality in the rural areas has been brought to light in studies other than the evaluations and reflection that have been carried out in the context of the SRDP. Thus, as Leonard argues<sup>53</sup> in the context of extension services in Kenya, a large network of class politics operate in the country to sustain the inequality and to create a rural class appropriate to capitalist development; while the government's policy of economic growth has been in favour of the African middle-class groups which have had similar economic interests as the policy-makers themselves. As a consequence of this mutual interest, wealthy and progressive farmers have been able to get the necessary extension services at the expense of the poor peasants and subsistent farmers.

<sup>52</sup>IDS, 1975, *op. cit.*, Chap. 19-29f.

<sup>53</sup>D. Leonard, *Reaching the Peasant Farmer: Organization Theory and Practice in Kenya*, Chicago, The University of Chicago Press, 1977, p. 192.



In this connection it is worth noting that the class analysis advanced by Van Velzen<sup>54</sup> in the context of Tanzania has been accepted by Leonard because of its quality of clarifying the structure of service distribution in agricultural extension. On the other hand, however, Leonard does not endorse van Velzen's view that inequalities are created because of class affiliation between local elites and junior government staff at the rural level. For Leonard, junior government staff are mere tools of a larger system pressures which operate at the national and international levels and are manipulated by the social expectations, training policies and organisational mechanisms. Moreover, Leonard feels that distribution of resource is dictated by ethnic considerations, and in such a situation administrators play the role of political representatives in the inter-governmental struggles over the distribution of resources.<sup>55</sup>

Lionel Cliffe on his part accuses the Kenyan leadership for its role in creating a climate for emergence of inequality in the country. As he puts it :

those who have occupied state power in Kenya have created institutions and structures appropriate to the needs of a new generation of foreign investments and in the course of it have been themselves among the foremost in breeding a greedily acquisitive party and commercial bourgeoisie.<sup>56</sup>

Further, although formulated in the context of the East African countries as a whole, Martin Doornbos seems to have made the issue crystal clear when he states in his well-balanced and well-synthesised concluding contribution to the *Essays on Political Penetration* as follows:

the dominant trend in all East African countries has been one of increased bureaucratization and centralization... and in the absence or realistic conception of processes and structures from below... any concluding note on the prospects for progressive rural development in East Africa are bound to be pessimistic... The prospects in one of bureaucracy-dominated pattern of relative stagnation in which the question of strategic 'choice' is illusory.<sup>57</sup>

<sup>54</sup>E. Thoden van Velzen, "Staff, Kulaks and Peasants: A Study of Political Field", in L. Cliffe, J. Coleman and M. Doornbos (eds.), *Government and Rural Development: Essays in Political Penetration*, The Hague, Martinus Nijhoff, 1977, pp. 223-250.

<sup>55</sup>Leonard, *op. cit.*, pp.192 and 256.

<sup>56</sup>L. Cliffe, "Penetration and Rural Development in East African Context", in L. Cliffe *et al.* (eds.), *op. cit.*, pp. 42-3.

<sup>57</sup>M. Doornbos, "Recurring Penetration Strategies in East Africa", in L. Cliffe *et al.* (eds.), *op. cit.* pp. 317-30.





We should, of course, remain as cautious as possible about these similar and other judgements with regard to any one country or group of countries in any geographical region. To be sure, the above citations seem to be sound and plausible at a higher level of generalisation, *i.e.*, in the context of the East African countries as a whole. For one thing, Doornbos's conclusions are based on the various case studies presented in *Government and Rural Development in East Africa* (1977),<sup>58</sup> but they cannot be applied to the situation of the SRDP without any qualification. At any rate, general conclusions and interpretations similar to those of Doornbos and others do, in fact, unmistakably reveal some of the crucial root causes which seem to have obstructed the realisation of the SRDP.

Finally, in concluding this brief re-appraisal, a few points can be stated as a matter of reminder. The issues and problems of rural underdevelopment and rural unemployment, among other deprivations, which alarmed politicians, development advisors as well as scholars who had assembled at the Kericho Conference, thus, seem to be more in evidence in the Kenya of today than they were in the 1960s. Kenya has been placed at the lowest edge of the *middle-income countries* group in the 1981 World Development Report.<sup>59</sup> But there are 36 other developing countries classified in the *low-income-countries* group which are all trailing behind Kenya on the path of the development spiral as systematically worked out by World Bank officials. One can say that the Kenyan authorities might be proud on their country's lead over the 36 or so poor countries of the third world, but it is still a long way ahead to be in the group of the 18 countries classified as *industrial-market-economies*.<sup>60</sup> In the mean time we notice that the Kenyan Government is interested in the so-called Basic Needs Approach to solve the familiar problems of unemployment, inequality and poverty on a national scale and as an integral part of its latest development plan. Apparently the Kenyan Government seems to have been attracted by the Basic Needs Approach since the 1978 World Conference which had as its theme the Basic Needs Approach to Development. However, in the absence of earnest

<sup>58</sup>For instance, U. Lele, *The Design of Rural Development: Lessons from Africa*, Baltimore, John Hopkins University Press, 1975, pp. 143-9; W. Oyugi, "Participation in Development Rural Planning at the Local Level", in D. Leonard (ed.), *op. cit.*, pp. 53-75; G. Alibar-uh, "Issues in Administration of Integrated Rural Development in Kenya with Special Reference to the SRDP", in *African Administrative Studies*, CAFRAD, No. 17, (July 1977), pp. 132-140; C. Fuller, "The Special Rural Development Programmes in Kenya", in *Journal of Administration Overseas*, Vol. 14, pp. 148-158; J. Leach, "The Kenyan Special Rural Development Programme", in the *Journal of Administration Overseas*, Vol. 13, No. 2, pp. 358-365; I. Livingstone, "Development in Kenya: The Special Rural Development Programme Re-visited", in *Journal of Administration Overseas*, Vol. 15, p. 138; and IDS 1975, *op. cit.*, Chap. 19-4f.

<sup>59</sup>World Bank, *World Development Report 1981*, New York, Oxford University Press, 1981, pp. 134-183.

<sup>60</sup>*Ibid.*, pp. 134-83.





political and administrative readjustments in accordance with the demands of integrated rural development as a whole, it remains to be seen as to how far the country's honeymoon with this relatively vague and untested partial strategy can last long without repeating the gloomy episodes of the much smaller experiment of the SRDP on a much larger scale of rural development endeavours. □

# **An Organisational Reconnaissance of the Employment Guarantee Scheme**

**Samuel S. Lieberman**

**T**HE EMPLOYMENT Guarantee Scheme (EGS) is the large scale public works programme that serves as the vehicle through which the Government of Maharashtra honours a commitment, enunciated in a 1974 directive and codified in legislation passed in 1977, to provide work to needy adults living in rural areas. The EGS was first implemented on a statewide basis in 1975-76; total attendance in that year was 110 million mandays, amounting to a mean daily enrolment of 367,000. Participation averaged 167 million mandays (558,000 daily average) in the 1978-79 to 1982-83 period. In 1983-84, total labour attendance stood at 164.5 million mandays with an average of 549,000 labourers working each day at 7,639 separate EGS project sites. Since 1979, expenditures on EGS have remained unchanged in real terms at 545 million rupees (at 1970-71 prices) or thereabouts. In recent years, the EGS, which is paid for largely through special state taxes supplemented with allocations from general revenues, has claimed approximately 12 per cent of Maharashtra's development budget.\*

The organisational ramifications of the EGS have received less attention than its statutory and fiscal underpinnings, partly because the state government wishes to understate, for various political reasons, the costs of administering the programme. Yet the ongoing mobilisation and management of large numbers of unskilled labourers, working in numerous, widely dispersed, and often remote locations, represent perhaps the most remarkable feature of this scheme. This article examines the apparatus set up to implement the EGS. This organisational analysis focuses on the strengths and shortcomings of the dual authority structure and the accompanying body of procedures and mechanisms through which the EGS projects are designed and implemented.

## *Programme Origins*

The EGS was introduced in 1969 as a component of an experimental Small Farmer Development scheme which had been operating in Tasgaon taluka of Sangli district in Maharashtra since 1965. This pilot employment security scheme was administered by the village panchayat and financed,

\*Figures cited were provided by the Planning Department, Government of Maharashtra.

with a matching grant from the state government, by a 25 per cent surcharge on the village land tax. The local governing body was expected to prepare plans and estimates of productive schemes which could be taken up to provide unskilled work to the unemployed in the community. Responsibility for executing individual projects rested with the village authority and its parent body, the panchayat samiti.

The planned extension of this panchayat-operated employment generation scheme to other areas of the state was disrupted by the successive failures of monsoon and unparalleled shortfalls in food, fodder, and drinking water which Maharashtra experienced between 1970 and 1973. As in previous scarcities, administrators turned to instructions and procedures, collected in the *Bombay Scarcity Manual*, pertaining to planning and implementing rural relief works. What was unusual in the 1970-73 crisis was the necessity of invoking these arrangements for a lengthy period over much of the state.

Briefly, a temporary employment-generating mechanism was established.<sup>1</sup> Field operations in this synthetic structure were coordinated at the district level, where a dual authority system, called a matrix in organisation theory, was set up. The Collector served as the administrator of district relief operations. He and his staff in the Revenue Department allocated projects to irrigation, agriculture, public works and other agencies, secured funds, additional staff, and equipment, and supervised spending on relief work, health and law-and-order conditions at project sites. Responsibility for the design and implementation of relief works rested with the various technical departments. Functionaries of different specialised agencies handled execution of individual projects. These field officers kept their immediate superiors informed on the status of these activities, and were also required to report (hence the dual responsibility system) to the Collector on the phasing of operations, attendance, expenditures, provision of welfare facilities, etc.

This matrix set-up afforded the benefits of technical specialisation along with the organisational flexibility and coordinated focusing of resources needed in dealing with an emergency. These advantages of a dual command structure are sometimes difficult to attain because of inherent problems in operating this sophisticated organisational design.<sup>2</sup> Matrix arrangements typically thrust individuals into unfamiliar circumstances in which they must play multiple roles. A functioning dual reporting system must maintain a precarious balance of authority and control among separate departments.

<sup>1</sup>An illuminating analysis of the scarcity administration appears in Kuldeep Mathur and M. Bhattacharya, *Administrative Response to Emergency*, Delhi, Concept Publishing Company, 1975.

<sup>2</sup>These problems are outlined in J.R. Galbraith, "Matrix Organization Designs: How to Combine Functional and Project Forms", *Business Horizons*, Vol. 14, No. 1, 1971, pp. 29-40.



During the scarcity, there were occasions when the matrix began to erode, especially during the third year when the highest attendance figures were recorded and when many agencies experienced staffing problems.<sup>3</sup> But, on the whole, the dual command structure performed admirably, thanks to the effective use of various coordinating mechanisms. These integrating procedures and processes included issuance of roles and instructions, field visits and inspection tours by officials, frequent contacts between members of different departments, and resourceful leadership by Revenue Department personnel.

The successful completion of relief operations brought an early decision to use the administrative framework tested in the scarcity to generate productive rural employment. In formal terms, the EGS apparatus closely resembles the relief organisation; many of the rules and regulations compiled in the *Compendium of Orders*, which serves as an EGS handbook, are modelled after provisions in the *Bombay Scarcity Manual*. The two programmes differ, however, in respect to the time perspectives of their operations. The goal of the emergency administration was to provide relief (income) through intensive operations of limited duration. In contrast, the EGS is set up as a permanent entity to deal with the enduring problem of labour underutilisation.

The decision to administer a scheme with such temporal dimensions through a dual responsibility framework involves significant risks of organisational collapse. Management theorists have found that matrix systems perform best during time-bound research and development campaigns, marketing drives, and emergency operations.<sup>4</sup> Various *ad hoc* coordinating procedures and binding devices can be resorted to to overcome problems arising during such endeavours. Frustration and insecurity, due to role ambiguity, interdepartmental rivalries, and other matrix ills are likely to be intensified when the dual control structure is installed on a permanent basis. At the same time, the integrating processes in place may weaken or show signs of fatigue, requiring new control procedures to be erected. It follows that the application of matrix arrangements to problems of long-term duration depends on the eventual renovation of existing mechanisms or the evolution of new means of neutralising the corrosive tendencies in the model. The following paragraphs describe the roles and responsibilities of different participants in the EGS and discuss the adequacy of measures devised to resolve disputes and coordinate programme operations.

#### *The Revenue Department*

The EGS field activities are coordinated by the Revenue Department.

<sup>3</sup>See Mathur and Bhattacharya, *op. cit.*

<sup>4</sup>See Galbraith, *op. cit.*



The taluka serves as the basic unit of planning and represents the lowest level at which the dual command system operates. The duties performed by the Tehsildar include surveillance of employment trends and the need for work (usually conveyed by local leaders) in different 'pockets' within the taluka; assigning individuals requiring work to ongoing projects or to activities due to begin; and maintenance of an updated file (known as the 'Blueprint') of plans for technically feasible, labour intensive works of a productive nature for execution on an 'as-needed' basis. The Blueprint is expected to contain projects sufficient to provide employment for two years; this master plan of contingent work must differentiate between ongoing activities, projects left unfinished, new schemes ready for implementation, and proposed works which have not been evaluated and approved for eventual execution. Plans for future works are prepared by technical agencies at the request of the Collector, who has been informed by the Tehsildar that such projects may be needed. The availability of new work sites is discussed at meetings convened by the Tehsildar and attended by taluka-level officers of implementing departments and (occasionally) local political figures. The Tehsildar makes periodic field visits to supervise enrolment and mustering procedures, payment of wages, and provision of specified welfare facilities for the EGS labourers. He also transmits information on the EGS attendance and expenditure levels in the taluka.

The Tehsildar receives administrative support from a sub-divisional revenue officer (SDO), who is responsible for three or four talukas. The SDO usually conducts taluka-level meetings. In addition, he expedites requests from the Tehsildar for issuance of work orders by the Collector or immediate surveys of prospective sites. The SDO also acts as a trouble-shooter for the Collector. He may be asked, for example, to persuade uncooperative landowners to permit the EGS work to begin on their holdings or to visit projects, where protest actions over low wages, payment delays, and lack of amenities are underway.

The tasks and responsibilities retained by the Collector, assisted by a Deputy Collector (EGS) and a small EGS cell, include instructing agencies to start designated EGS works in pockets where the need for additional projects has been demonstrated; and release of funds for expenditures on the EGS to authorised disbursing officers in individual agencies. The Collector relies on reports from Tehsildars and SDOs and information from other sources, including his own inspection tours, to keep track of the EGS operations.

The Collector performs his control and supervisory functions in the EGS, either personally or through the hierarchy of field officers under his command in the Revenue Department. By virtue of the dual reporting system, the Collector is dependent on personnel from other departments, over whom he has no direct authority, when it comes to discharging his ultimate responsibility—providing gainful employment—under the EGS Act. The scope



and adequacy of the Collector's powers *vis-a-vis* executing agencies have not been (and may never be) fully delineated. The initial government order of September 20, 1974 placed the Collector 'in overall charge' of EGS activities, but required that implementing departments be consulted to establish their capacities. If any problems arose, the Collector was authorised to "move the superior authorities of the delinquent (officer) to take action".<sup>5</sup>

The Planning Department recognised various inadequacies in this formulation which gave Collectors much less authority than they exercised during the 1970-73 scarcity. Subsequent government directives attempted to bolster the Collector's position without impinging unnecessarily on the competence and prerogatives of the technical agencies. For instance, a 1978 order states, "as the District Collector is responsible for the implementation of the Scheme, all officers of the State Government, the Zilla Parishad, and other local authorities... shall be responsible to him. All the implementing officers at the district level shall abide by the orders of the Collector... (who) shall be competent to allot work to any implementing agency and to deploy the staff of the different departments".<sup>6</sup> Planning Department officials wanted this directive to place executing agencies in a subordinate position to the Collector. A cabinet meeting decided to replace 'subordinate' by 'responsible to' in order not to alienate the technical departments.<sup>7</sup>

Further backing for the Collector came from a directive permitting him to assess the performance in the EGS matters of district-level officials. (The Collector was denied the authority to prepare the Confidential Review, the evaluation having the largest influence on the promotion chances of individual officers). Support has also come from a 1980 amendment to the EGS Act which gives the Divisional Commissioner (responsible for four or five districts) broad powers in the EGS matters. The Commissioner can aid the Collector in disputes when technical officers appeal to divisional officials in their own departmental hierarchies to overturn a Revenue Department order. A technical officer (with the rank of Superintending Engineer) has been assigned to Commissioner with a mandate to mediate between the Revenue Department and technical agencies.

### *Technical Departments*

Over 70 per cent of the relief works taken up during the 1970-73 crisis were executed by the technical wing of the Zilla Parishad.<sup>8</sup> The EGS projects are more equitably parcelled out to different executing departments. Table 1

<sup>5</sup>See Government of Maharashtra, *Employment Guarantee Scheme: A Compendium of Orders*, Bombay, Government Printer, 1981, p. 4.

<sup>6</sup>*Ibid.*, p. 387.

<sup>7</sup>This paragraph draws on interviews in 1983 with senior planning officials in the Government of Maharashtra.

<sup>8</sup>This information is provided in V. Subramanian, *The Parched Earth*, Bombay, Orient Longmans, 1975, p. 79.



shows labour attendance and works in progress for agencies currently or potentially implementing the EGS projects in March 1983 in Ahmednagar, a district with persistently high requirements for the EGS work. Table 1 also gives the number of staff available for assignment to the EGS and estimates of the maximum daily employment that could be provided on the EGS works. Units of the Zilla Parishad and Soil Conservation Directorate accounted for nearly half of the works in the district but provided less than a third of the jobs. Over half of the EGS employment generated in Ahmednagar was created by divisions (minor irrigation, major structures, and canals) of the Irrigation Department. The share of irrigation work rises to 63 per cent once the projects of the Zilla Parishad are included.

TABLE 1 EGS WORKS IN PROGRESS, LABOUR ATTENDANCE, AVAILABLE JUNIOR STAFF, AND DAILY POTENTIAL EMPLOYMENT BY AGENCY, AHMEDNAGAR, MARCH 1983

<i>Name of Agency</i>	<i>Number of Works in Progress</i>	<i>Labour Attendance</i>	<i>Available Junior Staff</i>	<i>Daily Employment Potential</i>
Zilla Parishad, South (Minor Irrigation)	68	5,812	31	15,500
Zilla Parishad, North (Minor Irrigation)	33	2,950	27	13,500
Zilla Parishad (Building and Communications)	56	2,543	35	10,500
Soil Conservation I, Ahmednagar	79	2,600	150	22,500
Soil Conservation II, Ahmednagar	79	4,885	107	16,050
Soil Conservation (Land Development), Ahmednagar	11	3,060	86	4,300
Soil Conservation (Land Development), Pune	1	42	45	2,250
Soil Conservation (Land Development), Nasik	1	292	33	1,650
Forestry Department, Ahmednagar	73	1,929	34	3,400
Forestry Department (Drought Prone Areas Programme)	6	187	35	3,500
Minor Irrigation (State), Ahmednagar	19	2,434	43	21,500
Minor Irrigation (State), Sangamner	16	4,516	29	16,500
Minor Irrigation (State-EGS Division), Ahmednagar	26	4,990	35	17,500
Minor Irrigation (State-EGS Division), Shrigonda	28	3,925	35	17,500



<i>Name of Agency</i>	<i>Number of Works in Progress</i>	<i>Labour Attendance</i>	<i>Available Junior Staff</i>	<i>Daily Employ- ment Potential</i>
Public Works Department, Ahmednagar	19	1,532	42	12,600
Public Works Department, Sangamner	26	3,165	24	7,200
Public Works Department, (EGS Division)	69	7,253	38	11,400
Medium Irrigation Projects, Ahmednagar	4	2,203	26	13,000
Mula Scheme Projects Division, Ahmednagar	5	513	23	12,500
Mula Modernisation Division, Ahmednagar	1	18	12	6,000
Mula Irrigation Division, Ahmednagar	18	1,113	36	18,000
Ahmednagar Irrigation Division	56	6,649	26	13,000
Ghod Irrigation Division, Pune	2	8	4	2,000
Nasik Irrigation Division, Nasik	22	5,874	12	6,000
Nandur Madhama Shawar Canal, Vaijapur	1	285	6	3,000
Upper Pravara Projects Division, Sangamner	6	885	24	12,000
Khadakwasla Project Division III, Shirur	1	71	30	15,000
Khadakwasla Project Division VII, Shrigonda	10	1,496	25	12,500
<b>TOTAL</b>	<b>746</b>	<b>70,948</b>	<b>1,083</b>	<b>325,350</b>

Technical agencies implement the EGS projects alongwith schemes drawn from their own 'planned' work programme. Departments are accountable for the quality of engineering designs in the EGS works, selection of materials, and for the layout and execution of tasks in the proper sequence. Individual projects are implemented by functionaries—junior engineers, agriculture assistants, foresters, and forest guards—of the concerned agencies. Work on an EGS project can begin only after a 'work order' has been issued by the Collector. Designated field officers recruit mustering assistants from nearby communities to maintain a daily roster of participating workers. Field staff identify preparatory activities, lay out the actual alignment (*i.e.*, width and camber of roads, slope and height of embankments) of the project, and assign tasks to gangs of 8-12 workers. The muster is supposed to be called twice daily. Measurements are to be made





weekly; payments based on recorded amounts of earth moved are to be made in the following week. Officers report regularly to agency superiors; detailed technical reports are submitted to departmental authorities when projects are completed. Attendance and expenditure totals are conveyed fortnightly to the Tehsildar.

There are important differences for field staff between the EGS project execution and departmental work. First, functionaries on the EGS assignment are liable to periodic inspection not only by agency supervisors but by Revenue Department officials as well as various political leaders. Secondly, the EGS work brings officers into close contact with project labourers. Field staff assigned to regular department projects are primarily engaged in assuring that contractors adhere to technical standards and an agreed-upon pace in executing works. Contractors undertake to recruit and keep the labour force at sufficient strength, to maintain discipline at the work place, and to elicit satisfactory effort levels from labourers. In the EGS, the management of the labour force is assigned to field functionaries. The maintenance of discipline and work standards can be a trying experience, especially for field staff who are not well prepared for such duties. Officers must deal on a daily basis with absentees and latecomers; frequent, unsanctioned interruptions and aimless wandering around the project site by those nominally at work; elaborate attempts to inflate measured output; and all manner of complaints and requests from labourers who have grown more knowledgeable about provisions of the EGS Act and more adept and assertive in their dealings with officials. Not infrequently, functionaries are confronted with vandalism, drunken brawling, and threats of violence to themselves. Field staff must also contend with various forms of collective action by workers including morchas, dharnas, and gheraos.

The EGS looks like a mixed blessing from the vantage point of the technical agencies. Field personnel typically complain about the huge volume of work assigned to them and the long distances they must travel between project sites. They are also unhappy about their encounters with revenue department officials and politicians. At the same time, functionaries are well aware of the lack of employment opportunities in rural areas. They accept that the remedy involves programmes along the lines of the EGS. Higher-level officials are also ambivalent about the scheme. They are unenthusiastic about the role of revenue officials and are concerned that employment objectives will overwhelm technical considerations in project selection. Yet they recognise that the EGS has been a large and reliable source of funding for their departments and has enabled a considerable expansion of technical staff.<sup>9</sup>

<sup>9</sup>For further discussion of the background characteristics, experience, and attitudes of field officers, see S.S. Lieberman, "Field Level Perspectives on the Employment Guarantee Scheme", *Public Administration and Development*, (Forthcoming).

### *Politicians*

Political leaders played an important but subsidiary role in the scarcity administration. The Members of Legislative Assembly (MLAs), members of the Zilla Parishad, and elected officials served on district and taluka-level coordination committees. These consultative bodies acted as devices to gain public support for the government's programme, to pass along project proposals, and to solve local disputes. (Some administrators saw these committees as valuable means to keep politicians from obstructing relief operations.)

Similar mechanisms have been set up in the EGS. A committee of the Maharashtra Legislative Assembly inspects the EGS sites in different districts and reviews programme operations. District committees, headed by the minister assigned to the area and made up of MPs, MLAs, and MLCs, and taluka committees (chaired by the local MLA) monitor and evaluate local EGS activities. In his capacity as committee chairman, the MLA often forwards requests for work and project suggestions to concerned officials. These leaders are also called upon by revenue and technical officers to intercede with unruly labourers or recalcitrant landowners. Similar functions are performed by the sarpanch and other village-level politicians.

What differentiates the political involvement in the current programme from that in the relief administration is the proprietary interest in the EGS that is asserted by MLAs and other leaders. Legislators see the EGS as their own creation, a 'prestigious' scheme which they have supported, despite the misgivings of technical officers and bureaucrats in Delhi, and from which they expect political benefits. Thus, MLAs are sensitive to requests for work from their constituents and quick to claim credit for the opening of new projects.

The electoral advantages sought by politicians can interfere with the facilitative role they are expected to play in the EGS administration. Functionaries complain that field visits from MLAs too often become an occasion for 'garlanding', grandstanding, and public criticism of officials. The MLAs are regarded as inclined to endorse the demands of project labourers, thereby heightening rather than alleviating tensions at the work place. Field staff are especially wary of opposition politicians who use inspection tours to embarrass and criticise the ruling party. Functionaries must also contend with requests from village headmen and other local politicians who visit project sites more often than MLAs. These political figures attempt to change project locations, to obtain the EGS daily wage jobs for their clients, to increase the wages paid to local workers, and to have their bullock carts hired for EGS work. MLAs usually make their views known in taluka and district-level meetings or in communications to revenue or technical officials. Local politicians sometimes use cruder tactics—sending goondas to disrupt projects, inciting workers to take out a morcha or to gherao a functionary, conspiring to have staff transferred—to back up their demands.

It is not yet clear how the expanded role asserted by politicians will impinge on the delicately balanced EGS administration. The contribution of political figures as mediators is as important as ever. The EGS operations are also aided by the sense of urgency and purpose which is imparted by the aggressive stance adopted by politicians. (Politicians may shortly be called upon to act as conceptualisers, persuaders, and even as quasi-administrators as the EGS is applied to new activities.) At the same time, political leaders are disruptive elements when they stir up trouble at work sites, when they set off or exacerbate inter-departmental disputes, and when they insist that projects be opened in areas already adequately served by ongoing works.

### *Programme Integration*

A number of binding mechanisms operate in the EGS to keep the programme's matrix arrangements from exploding. First, rules and instructions specifying task and actions are issued by the Planning Department to regulate field operations. These directives, which have been compiled in the *Compendium of Orders*, impose uniformity on programme operations in different areas; standardisation of procedures, besides saving administrative costs, provides a shield against requests for special treatment from political figures. The *Compendium* includes exhortatory statements, which serve as guiding principles for the implementation of the EGS, and directives giving detailed instructions with respect to specific matters. Subjects treated in depth include the format of plans for proposed works; amenities to be provided at work places; information to be included in reports filed with the Tehsildar; wages payable to workers undertaking different tasks; and the powers of the Collector *vis-a-vis* the technical agencies.

Often orders bearing on these and other matters represent restatements or revisions of positions taken in previous directives. For example, the welfare facilities to be made available at project sites were treated in eighteen orders issued between 1976 and 1981. In some instances, the reissuance of directives suggests that instructions are not being followed to the desired extent. The Government of Maharashtra relies on unannounced field visits to back up written instructions. Inspection tours, at frequencies specified in various government orders, are conducted by the Commissioner, the Collector, SDOs, the Deputy Collector (EGS), Tehsildars, Superintending Engineers and others in the Commissioner's EGS cell, district and divisional-level technical officers, Planning Department officials, MLAs and other non-official members of taluka committees. Such visits provide forums in which workers' grievances can be voiced; functionaries also welcome the chance to make known their problems and to defend themselves against accusations. Official visitors are required to file written inspection reports providing details about the project, evaluating mustering and payment procedures and provision of facilities, and taking note of worker complaints. Reports



frequently recommend that follow-up actions be taken, such as appointing new mustering assistants, accelerating land acquisition proceedings, transferring errant officials, or supplying additional tools.

A third instrument of coordination employed in the EGS are periodic gatherings of revenue and technical personnel. These meetings, which include sessions of the district and taluka coordination bodies as well as informal discussions, are typically convened and conducted by revenue officers with an MLA taking the chair. These occasions are needed to overcome the strains and frustrations which are an inevitable consequence of the matrix organisation. Formidable negotiating talents and other skills are required of those who oversee such gatherings if the 'purposeful conflict' in the dual authority structure is to yield fruitful results.

The performance of this integrating device falls short of the ideal in the case of the EGS. The district-level meeting tends to be too large and formalised and is held too infrequently (every six months or so) to be useful for an exchange of information or conflict resolution. Taluka-level gatherings are more promising as joint problem-solving ventures. These sessions, which are normally run by the SDO on behalf of the MLA, are structured around a pocket-by-pocket review of weather and cropping conditions, current and projected labour attendance, and the employment potential of ongoing works and those held in reserve.

The matters discussed at one such meeting, held in Shirur taluka, Pune district on September 30, 1983,<sup>10</sup> included the condition of gravel roads, check dams, and percolation tanks (constructed through the EGS) following recent heavy rains; the progress of land acquisition proceedings under judicial review; the acceptability to local villages of an ongoing tree-planting projects; requests for project surveys to be completed in two localities with rising the EGS attendance; prospective transfers and vacancies in technical staff; and the status of malpractice cases which had been started against several technical officers. The MLA presiding at the Shirur session severely reprimanded a Deputy Engineer whose staff had evidently behaved callously towards the EGS labourers under their jurisdiction. The MLA was also critical of the inability of the Collector to process land acquisition cases which delayed execution of several projects. Taluka-level meetings sometimes degenerate into abusive scoldings by MLAs of technical (or more rarely, revenue), officials. Technical officers absorb such onslaughts meekly. Their resentment at these attacks is displayed on subsequent occasions when they (and their colleagues) remain aloof from the proceedings. At other times, more productive and purposeful discussions take place. Much depends on detailed knowledge, experience, and communications

<sup>10</sup>This meeting was attended by the SDO, the Deputy Collector (EGS), the MLA, two Zilla Parishad members, and 25 technical officers. Notes on what transpired at the meeting were made available to the author.



tions skills of the SDO who runs the meeting. For instance, a seasoned official will have learnt how to pacify (and obtain reciprocal concessions from) political leaders, how to cultivate and reward technical officers, and how to deflate the 'commandism' and arrogance which revenue authorities have a tendency to display.

Finally, role interpretation—the use of personal initiative by field workers—represents an important albeit unnoticed stabilising element in the EGS operations. The exercise of discretionary powers is necessitated by the large number of topics which do not receive detailed treatment in the *Compendium*. These uncharted dimensions relate to the day-to-day management of EGS works (especially the labour force) and the procedures to be adopted to solve various crises. It is not surprising given the complex and unpredictable circumstances at the EGS projects that the *Compendium* fails to provide instructions pertaining to various contingencies. Organisations often rely on upward referrals to supervisory officers to handle situations in which there are no fixed rules. Transportation and communication problems limit the applicability of the solution in the case of the EGS. Some field staff cannot handle the autonomy afforded by procedural reticence and by their inability to direct problem to their superiors. These officers typically abdicate their responsibilities in the face of pressures emanating from the project environment. These projects in which functionaries have not exercised confident leadership are characterised by low average wages, delays in making payments, labour unrest, and technically defective results. Others use their considerable discretionary powers to improve the quality of project implementation. The use of personal initiative to further the EGS programme goals is illustrated in the following actions: persuading landowners to release property for the EGS purposes; exploiting the gang system and using other means to maintain the tempo of work and to keep wages near target levels; purchasing needed supplies from out-of-pocket funds; and mobilising workers from nearby communities to complete time-bound operations.<sup>11</sup>

#### AN APPRAISAL

The performance of the EGS organisation is regularly reviewed in sessions of the legislative committee and in meetings of senior administrators. These discussions, not infrequently, lead to decisions disseminated in Planning Department directives, to alter particular procedures or features of the organisation. For instance, 1982 orders stepped up the scope of surprise inspection tours and established workers' committees to assist in execution on projects with 100 or more labourers.

While agreeing to piecemeal changes, the state government has resisted suggestions for a major reorganisation of the scheme. One implicit option

<sup>11</sup>For a more detailed discussion, see S. S. Lieberman, *op. cit.*



has been to operate the EGS through<sup>7</sup> the Panchayati Raj structure which presently serves as the means through which<sup>8</sup> the Central Government's National Rural Employment Programme (NREP) is implemented in the state. Planning officials in Maharashtra are dissatisfied with the performance of the NREP and accordingly are unlikely to return to a model for the EGS which was rejected in the early 1970s.

Another design which has been mooted involves integration of the EGS activities under the control of a single agency. This proposal would create a department of rural employment out of those sections of existing departments which specialise in the EGS work. The aim of this alternative is to reduce administrative conflict by setting up a unified staff with well-defined responsibilities working full time with undivided attention on the EGS. This proposal has been welcomed by the technical departments which would like to be free of the burdens and restrictions associated with the EGS work. This option may also be favoured by some revenue officers who are weary of the clashes which are inherent in the design of the EGS.

Planning officials expressed concern during a recent hearing on this proposal about the costs of staffing a department which would not be fully employed in most years.<sup>12</sup> These doubts are readily countered by pointing to the existing large numbers of clerical, technical, and administrative personnel regularly employed on the EGS who could be transferred to the new agency. Additional staff needs during a drought year could be fulfilled through temporary secondment from other agencies.

Several other, more substantial objections to this reorganisation proposal are worth mentioning. First, a unification of technical operations under one administrative roof would not eliminate the need to share management duties through a matrix structure. The EGS Act orders the Collector to provide employment to individuals whose eligibility only he and his Revenue Department staff can determine. These responsibilities cannot be shifted to technical departments which, in any case, have no special expertise in this regard. Secondly, establishing a single department commits the EGS to a fixed range of activities, namely soil conservation, irrigation, roads, and forestry, even as awareness is growing that the number of useful sites for such projects is declining rapidly. Consolidating EGS operations might interfere with the re-direction of programme attention which must occur in the next few years. Finally, a premise of the EGS approach is that employment creation is the responsibility of the whole gamut of development departments. The creation of a separate rural employment department, which would have to compete with other departments for funds, would imply (contrary to official programme ideology) that employment creation is no longer a high priority nor a widely shared concern. In effect, 'non-

<sup>12</sup>This discussion is recapitulated in Maharashtra Legislative Assembly, *Eighth Report on the Employment Guarantee Scheme*, Bombay, Government Printer, 1983.



Employment' departments would be allowed to move to capital-intensive methods, since employment was being looked after by another agency.\*

For the time being at least, the Government of Maharashtra has decided to retain the current administrative structure.† This conclusion deserves applause in view of the proven record of the present set-up. These arrangements have enabled the programme to respond quickly to changes in the employment needs of the rural population. (This flexibility was shown during the 1982-83 drought). The EGS has also demonstrated a capacity to mobilise huge numbers of labourers over a sustained period; work has been performed on numerous, dispersed projects designed and implemented by technically qualified officers. The EGS apparatus can be credited, arguably, with overcoming the administrative deficiencies which plagued previous rural works efforts in South Asia.<sup>13</sup>

These achievements have been purchased at a high price, that of operating a formidable and demanding matrix structure. The EGS does not function without problems. Inspection reports and legislative committee reviews are replete with examples of project-level abuses and mismanagement. Still, the apparatus as a whole has been spared the disequilibrium to which this complex and sophisticated approach is prone. Stability has been achieved through frequent (and costly) inspection tours by a wide range of officers, through dissemination of directives, and through district and taluka-level meetings of concerned officials.

There is no warrant for expecting these integrating devices to suffice for future programme needs. As suggested earlier, the institutionalisation of a matrix arrangement (to deal with an enduring problem) may be accompanied by a build-up of tensions which eventually cannot be contained through existing coordinating mechanisms. In the case of the EGS, worrisome signs include an apparent increase in petty corruption, a more organised and militant approach by project labourers, and demands backed by threats of strikes from various associations of field functionaries. The state government has responded to these and other symptoms by stepping up the frequency of inspection tours and by turning to other control techniques. For instance, village-level functionaries have been asked to witness payments to EGS labourers; a duplicate copy of the project muster roll is also supposed to be on view near the work place. These measures aim at bringing public

\*The notion of a separate department for rural works would be more palatable if the programmes of other departments were strongly employment oriented.

†"Current" refers to the organisational structure in place as of June 1984 when this astide was under preparation.

<sup>13</sup>These problems include absence of guidelines and procedures, insufficient participation of technical agencies, inordinate delays in approving projects, releasing funds, and paying workers, poor coordination and monitoring of activities, and frequent denial of employment to women. See D.P. Apte, "Crash Scheme for Rural Employment", *Economic and Political Weekly*, Vol. 8, No. 12, 1973, pp. 595-600.



pressure to bear on those who would tamper with attendance records.

The analysis in the preceding pages suggests other avenues which may be used to supplement or replace coordination mechanisms which may be faltering. One area of opportunity is the substantial contribution of field staff initiative in completing projects successfully. Concerted measures may enable the State Government to augment the discretionary contributions of functionaries. First, a systematic effort can be made to learn from the experiences of field officials to prepare new officers for what lies ahead. In place of current minimal training exercises, staff members could be readied for EGS work through exposure to case studies of crisis situations and ensuing decisions and actions by attending functionaries; participant observation during actual project execution; and meetings with MLAs, village leaders, labour union officials and so forth. The use of initiative needs to be encouraged once functionaries reach field assignments. Desirable steps here include the appointment of additional staff to take over the clerical, measurement, and paymaster functions currently handled by field officers; and much greater use of monetary and non-monetary incentives to recognise successful exercise of discretionary powers.

The status of field functionaries cannot be bolstered without an overall toning-up of EGS administrative arrangements. The best way to undertake this is through the taluka-level committees which have not been fully exploited as a mechanism for identifying and overcoming problems. The variation in the performance of these bodies is a source of concern. The contribution of taluka-level gatherings is too dependent on the personalities, backgrounds, and time commitments of SDOs and MLAs and on the attitudes and priorities brought to these meetings by representatives of technical agencies. Experimentation is needed to insure that those involved in these bodies participate constructively and share responsibility for decisions arrived at by these gatherings. For instance, an experienced technical officer might be asked to conduct meetings, to coordinate subsequent actions by different agencies, and to respond to the observations and requests of participating politicians. Another possibility would be to make the entire taluka committee answerable for the performance—employment created, and utilisation of works—of the EGS in the area. □



## Socio-Economic Determinants of Farmer Participation in Irrigation Projects

T.K. Jayaraman

THE SUBJECT of farmer participation in irrigation projects has attracted considerable attention in the recent past. The term 'participation' has different connotations for different people. For the policy makers at the political level and the planners at the politico-administrative level, participation means, in a wider sense, sharing in by the beneficiaries in the process of setting up development goals, formulating policies and implementation of projects.<sup>1</sup>

For actual implementors of projects, the term evokes varied response. It ranges from a feeling of suspicion about the ability of the beneficiaries to fear about consequent delay in implementation. For some of them, the term simply means asking the beneficiaries to legitimise or ratify projects formulated by the government and letting them wait for the end-results to flow from the project.<sup>2</sup> For an enlightened few in the bureaucracy, however, it means consultation from the start in regard to project design, implementation and management. The first category of bureaucracy regards the hardware aspects of technology as above the 'heads' of the beneficiaries and hence, for them, participation does not go beyond minimal inputs in implementation and handover phases of the project. On the other hand, the second category of bureaucracy recognises the importance of software components, namely acceptance and support by the beneficiaries of the intended technological changes and their active association in promoting these induced changes.<sup>3</sup> In the process, the bureaucracy re-educates itself by gathering insights into the thinking of grassroots not only in their individual but also collective capability to accomplish things.<sup>4</sup> The latter

<sup>1</sup>United Nations, *Popular Participation in Decision Making for Development*, New York, United Nations, 1975, Department of Economics and Social Affairs; and N.T. Uphoff, J.M. Cohen and A.A. Goldsmith, *Feasibility and Application of Rural Development Participation: A State-of-the Art Paper*, Ithacca, Cornell University, 1979.

<sup>2</sup>Mary R. Hollensteiner, "People Power: Community Participation in the Planning and Implementation of Human Settlements", *Philippine Studies*, 1978, pp. 5-36.

<sup>3</sup>J. P. McNerny, *The Technology of Rural Development*, World Bank Staff Working Paper No. 295, Washington (D.C.), The World Bank, 1977, pp. 9-14.

<sup>4</sup>E.T. Wilmot, "Rural Development Project: The Farmer and the Community as Decision Makers", *Agricultural Administration*, Vol. 4, 1977, p. 293.



is indeed valuable to the bureaucracy engaged in remote irrigation project areas when most of its members, having been brought from outside,<sup>5</sup> are not familiar with project areas. The farmers' knowledge of the social environment and their skills can also be an important source of detailed information necessary for appropriate design, rehabilitation and operation of the system especially at the terminal level. Thus, the term participation would also mean mobilisation of local resources, and tapping of hitherto neglected knowledge and skills of the prospective beneficiaries.<sup>6</sup>

For the beneficiaries of an irrigation project, the term participation would mean consultation on and awareness of decisions made by the project management insofar as they affect their farm systems operations, sharing in implementation process and its benefits and a 'say' in evaluation. At the sustained level of operations and management of the systems, on which this article is focusing, the term would pointedly refer to active involvement of farmers in management of irrigation at all levels, including the main system, and supplementing the government's efforts and resources in the maintenance of the system as a whole through collective and voluntary maintenance of the tertiary system, the secondary and primary being the responsibility of the government. Further, it would also signify institution building by which human talent and skills can be matched optimally with technology and other inputs.<sup>7</sup>

However, in India, much of these interpretations and aspirations have remained only on paper and have hardly been translated into action. The reasons are not far to seek. The public sector irrigation projects in India have yet to provide a conducive atmosphere for effective participation by farmers though there have been some 'top-down' efforts in setting up institutions. The resultant effect is that there has been a great deal of hesitancy on the part of the farmers in fulfilling their participatory role drawing heavily upon their time, resources and energy which do not appear in their perception to be commensurate with the gains they have derived from the projects. Obviously, there are certain forces which determine their willingness and scope of participation. This article seeks to examine these determinants on the basis of field studies.

#### PROJECT BACKGROUND

The empirical field studies were conducted in the Mahi-Kadana irrigation

<sup>5</sup>T.K. Jayaraman, "People's Participation in the Implementation of Watershed Management Projects", *Indian Journal of Public Administration*, Vol. 26, No. 4, 1980, pp. 1006-16.

<sup>6</sup>Gilbert Levine and H.C. Hart, *Mobilizing Local Resources for Irrigation*, Report No. 22, New York, Agricultural Development Council, 1981.

<sup>7</sup>K. Takase and T. Wickham, *Irrigation Management as a Pivot of Agricultural Development in Asia*, Manila, Asian Development Bank, 1977, p. 31.



project during 1980-82 in the state of Gujarat. The Mahi river rises in the Vindhya Hills in the state of Madhya Pradesh in central India and flows through the state of Rajasthan and then traverses the middle of Gujarat from the north-east to the south-west before discharging into the Gulf of Cambay, 580 kms away from its source.

The project consisted of two phases. The first phase related to construction of a diversion weir across the river at Wanakbori in the district of Kheda whilst the second phase referred to the construction of the dam at Kadana village in district Panchmahals, 140 kms upstream of the river, and development of command area of about 220,000 hectares with 210,000 ha. on the right bank of the more or less flat terrain of Kheda and 10,000 on the left bank falling in the hilly tracts of Panchmahals. The first phase of the project was completed in 1960 and the second in 1978. The distribution system has very recently reached completion stage on the left bank but a large part of the area on the right bank has been receiving irrigation supplies for the last two decades due to the completion of the first phase of the project. The diversion weir has enabled fairly substantial irrigation in the monsoon (*kharif*) season from July to October and limited irrigation in the winter season (*rabi*) from October to March, and in hot weather from March to June, depending upon the river flow. After completion of the dam in 1978 at Kadana, year-round irrigation has become a reality bringing large additional areas under irrigation, both in winter and hot weather seasons.<sup>8</sup>

#### *Command Area Development Authority*

For implementation of the command area development component of projects, a high level coordination committee known as Command Area Development Authority (CADA), with the Area Development Commissioner (ADC) as Chairman, representing concerned government departments such as Public Works Department dealing with roads, Irrigation Department, Agricultural and Cooperatives Department, dealing with agricultural support services, and Revenue Department, dealing with land tenure, was set up.<sup>9</sup> Besides official members (either of the rank of Secretary to Government in charge of each Department or Chief Engineers), representation was also given to the elected representatives from the project area. All directly elected members of the State Legislative Assembly in the project area (four MLAs in all), and Presidents of District Panchayats (in all two)—apex elected body in a three-tier set-up of local administration—were members of the CADA. As this body meets only once in six months, to approve the

<sup>8</sup>For a detailed project background, as well as agricultural development in the area, see T.K. Jayaraman, "Multiple Cropping and Crop Diversification in Mahi-Kadana Irrigation Project", *Commerce* (Annual Number: 1979), Bombay, 1979, pp. 87-94.

<sup>9</sup>For a full background of CADA, see T.K. Jayaraman, M.K. Lowdermilk and W. Clyma, *Command Area Development Authorities for Improved Water Management*, (Water Management Synthesis Project), Fort Collins, Colorado, Colorado State University, 1982.



budget and consider policy questions for making recommendations to government, the forum did not function as an effective two-way communication forum between farmers and the project authorities. However, the non-official representatives did bring issues of current importance affecting the farmers in regard to irrigation supplies to the attention of project management. But more effective discussion and follow-up action were facilitated by the monthly meetings of Project Level Coordination Committee, again chaired by ADC and attended by project level officials besides the District Panchayat Presidents, and Taluka (the middle tier of local administration) Panchayat Presidents. Here, at these meetings, the project level officials belonging to different departments—irrigation, agriculture and cooperatives—could more effectively communicate with the non-officials and there was a regular follow-up of the points raised as the minutes of the previous monthly meeting were to be approved in the subsequent meetings.<sup>10</sup>

### *Farmers' Complaints*

The complaints brought at these meetings by the representatives of elected local bodies were quite pertinent to command area development. They related to canal construction work, distribution system, breaches in particular areas, closure of canals without prior notice, wrong location of outlets at the head of the bloc (normally 40 ha) of farmers' fields, low level of water supply at the canals resulting in low or no discharge at the outlets and the like. These complaints were immediately looked into and redressed and the latest position in this regard was always given in the following monthly meeting. The Panchayati leaders were quite keen to pursue these complaints as the latter gave them an opportunity to cultivate the farmers who formed an influential part of the electorate. The redressal of these grievances was assuredly effective, if the Panchayati representatives also happened to be irrigators in the area.

### *Limitations of Coordination Bodies*

Though, in a way, the Panchayati leaders represented the irrigators' interest, there were limitations. They were mostly well-to-do farmers, having larger-sized holdings, and they belong to leading castes like Patels and Banias. These groups have been long dominating the political scene, both in the state and in the district. None of them was from the *Harijan* (scheduled caste) community. They also held official positions in the primary cooperative societies, and processing societies, which placed them far ahead of the rest of the farmers in relation to both asset holdings and access to credit

<sup>10</sup>T.K. Jayaraman, "Irrigation Project Organisation: Coordination Between Government Departments and Agencies". Paper presented at the *Economic Development Institute, World Bank and South East Asian Agricultural Research Council Sponsored Training Programme for Irrigation Personnel*, Los Banos, Philippines, March 1983.



facilities. These limitations came in the way of their truly representing the interests of all irrigators.

For officials, however, it was convenient to relate to them as it assured them opportunities of much needed political support. Through them, there was also a tendency to take the rest of the farming community for granted which contributed to restricting the contacts with the farmers only at a low level as that of canal inspectors or *chowkidar* (lowest link). The deputy engineers and above were content with having contacts with political leaders.

Perhaps for these reasons, the officials could not really get through some of the more difficult problems. For example, overdue of farmers in regard to repayment of on-farm development (OFD) costs prorated on a per hectare basis from the irrigators, signing up for new on-farm development works in the remaining command areas as the farmers were doubtful about irrigation possibilities; damage to outlets, or deliberate closure of these outlets and opening up new outlets on their own, disputes among farmers regarding irrigation supplies, thefts of water directly from the canals by putting up pump sets in the night, non-payment of irrigation dues before the new season and yet insistence on getting water and disputes with canal inspectors leading to violent scenes and the like. The Panchayati leaders at the monthly meetings usually expressed their sympathy and extended oral support but were unable to pursue them at the field for at least two reasons: (i) they did not want to fight for unpopular administrative causes and antagonise the electorate, and (ii) they were aware that they did not truly represent the irrigators' interests in all their ramifications.

#### *Poor Performance of Systems*

The resultant situation was one of chaos: uncertainty in irrigation supplies at the farm level adversely affecting the crops especially in the *rabi* season, and general scramble for water by everyone all the time and none getting adequate water at any time, lack of confidence in the irrigation bureaucracy and accusations by weaker sections of farmers against irrigation personnel of siding with the well-to-do and upper caste farmers and the like. The effects were many: (1) *Administrative*: (a) setback to timely execution of OFD works; and (b) low rate of collection of OFD dues and water charges—these were often the subject of adverse reporting by the Public Accounts Committee (PAC) of the Legislature, and intense discussion at the PAC meetings with officials and debate in the Legislative Assembly;<sup>11</sup> (2) *Economic*: low cropping intensity and poor yields of crops with low application of

<sup>11</sup>T.K. Jayaraman, "The Citizen and Worker Management", *Administrative Change*, Vol. 5, No. 2, 1978.



inputs under uncertain conditions;<sup>12</sup> and (3) *Financial*: (a) low rate of cost recovery in terms of water charges through accumulation of overdues for irrigation supplies as well as their unwillingness to go in for irrigated crops and consequently not applying for water which is generally available in the winter for whole of the command area and upper reaches of the command area in the hot weather; (b) low farm incomes as the farmers did not go in for high-valued, water-intensive crops but just settling for drought-resistant crops with poor applications of inputs, such as maize in the *kharif* and fodder sorghum in the *rabi* seasons; and (c) deterioration of OFD works including field channels and field drains, due to poor maintenance by farmers.<sup>13</sup>

### *Better Management Initiatives*

An increased awareness of inefficiencies at the farm level, wiping apparent gains out of main system improvements, such as canal lining and other physical improvements, was one of the reasons behind welcoming the initiatives of the World Bank towards better farm-level irrigation in the project. One of the chief objectives of the initiatives was to remove inequities in irrigation supplies at the farm level. Although project financing period was over in 1976 and the Project Completion Report was under preparation in 1979, the World Bank chose the Kadana Project once again for introducing a scientific version of the traditional rotational water distribution (RWD) at farm level known and practised as Warabandhi in the Northern parts of India.<sup>14</sup> Under the improved system of RWD, which is followed in *rabi* rather than monsoon season, crop water requirements for the two main crops—wheat and tobacco—are ascertained from the nearby campus of the State Agricultural University and right amounts of water at the predetermined intervals, made known in advance to the farmers, are applied during the cropping season. Taking into account the flow of water at one cubic

<sup>12</sup>T.K. Jayaraman, "Determinants of Cropping Patterns in the Command of an Irrigation Project: An Empirical Investigation of Mahi-Kadana Irrigation Project", paper presented at the Agro-Asian Regional Conference of the International Commission on Irrigation and Drainage, New Delhi, October 1980, and "Consumption of Fertilisers Under Uncertainties in Irrigation", *Margin*, Vol. 14, No. 3, 1982.

<sup>13</sup>W. Clyma, T.K. Jayaraman, M.K. Lowdermilk and R. Nelson, *Reports on Farm Level Irrigation in Mahi-Kadana Project, Gujarat: A Diagnostic Analysis*, Vols. I & II, Fort Collins, Colorado, Colorado State University, 1983.

<sup>14</sup>A kind of rotational water distribution has been in vogue in the northern states of India for quite a long time. Under this, a farmer is provided a share of available water supply according to the number of acres owned by him. But he has no control over the timing and quantity of this water. He does not know when or how much of his total share he would receive or whether he would receive his share in any given time. Such a system of rotation not related to crop requirement raises uncertainties in water supply leading to disappointing crop yields and inefficient utilisation of irrigation potential. See for greater details, R.B. Reidinger, "Institutional Rationing of Land Water in North India: Conflict between Traditional Patterns and Modern Needs", *Economic Development and Cultural Change*, Vol. 23, No. 1, 1974, pp. 80-4.



feet per second from the outlet, per hectare water hours are worked out and each field in the outlet command area is assigned a specific day in a week. While working out irrigation schedules, the location of the farm land also influenced the time allotted for that particular land since the losses due to conveyance in the field channels are also taken care of. Thus, a farm area in the tail part of the outlet command area has more time for irrigation than the corresponding area located in the upper reaches of the outlet.<sup>15</sup>

#### *A Pilot Project*

Before introducing the RWD in 1978-79 *rabi* season as a pilot scheme in the Rawalapura sub-minor command, the CADA took sufficient care and precaution to ensure required discharge in the canals in the proposed RWD pilot area. This took the form of clearing the sub-minor of weeds and undertaking some repairs, including installation of control structures for rotating and regulating water supply at one cusec from each of the 15 outlets in the sub-minor. For ensuring the latter, the take off portion from the branch was lined and a measuring device was also fixed at the lead to keep a watch on the flow of the water in the sub-minor, so as not to fall below the desired capacity level. At the outlet level, some additional physical investments were made. These included repairs to the existing field channels and replacements of various control structures, such as division boxes, siphons and road crossings. Additionally, measuring devices were installed at each outlet head, besides initial lining.

In all, an area of 2,000 hectares for the pilot RWD in the *rabi* season of 1979-80 was planned for. The plans were discussed in meetings with the farmers in the pilot area in village groups spread over a month and the meetings were sponsored by CADA in close association with the extension wing of the local administration. The officials belonging to CADA were assigned specific villages involving the entire machinery of irrigation from *chowkidar* to the executive engineer. The irrigators were at first curiously surprised to meet the top officials gathering at villages and discussing RWD schedules and implementation procedures, and listening to their complaints in regard to canal supplies but later were convinced of their genuine desire to implement the innovative measures. It was agreed at the meetings that the irrigation schedules for each piece of land would be displayed on a board fixed at the head of the outlet and they would be overseen and observed by farmers without Irrigation Department's intervention. The farmers were encouraged to make an informal arrangement among themselves to solve disputes in the observance of the irrigation schedules and if water level was found to be lower than the optimum level indicated in red paint on the measuring device, they were advised to contact the canal inspector imme-

<sup>15</sup>V. Branscheid, *Irrigation Water Management Briefs*, Collected Papers, Rome, Investment Centre, Food and Agriculture Organisation, 1982.



diately. Further, for each outlet command area, farmers were encouraged to form an association which proceeded on the following lines: in each outlet, farmers of, say, Monday group, to whom irrigation supplies were to be made available on that day, were asked to form a sub-group with an informally elected leader. Thus in an outlet command area, there would be two to four sub-groups on an average—the maximum number being seven signifying full week irrigation schedule—and these sub-groups would have corresponding number of leaders. These sub-group leaders would form an informal committee with a commonly agreed leader to serve as the spokesman for the entire group, who was expected to keep liaison with the irrigation bureaucracy.

The farmers' readiness to cooperate with the CADA can be traced to the following factors: (i) completeness and functionality of the field channel network along with structures below the outlet; (ii) assurance of an adequate and reliable irrigation supply; (iii) candid and sufficiently early communication of the irrigation schedule and readiness to discuss and accommodate farmers' suggestions; and (iv) consideration of the farmers' grievances whenever there are short falls in the water delivery and immediate corrective action.<sup>16</sup>

The impact of the farm level irrigation improvements on the production and subsequent effects on farmers' attitudes towards participatory role are discussed in the next section dealing with the results of field studies.

## RESULTS OF FIELD STUDIES

### *A Production Function Analysis*

The impact of improved irrigation service on farm production in the pilot area was closely supervised and evaluated. Specifically, the results of RWD in the Rawalapura sub-minor were impressive. A comparison with the previous *rabi* season showed that total irrigated area increased by 13 per cent as can be seen from Table 1. A Cobb-Douglas production function

TABLE 1 AREA UNDER IRRIGATION BEFORE AND AFTER RWD

Particulars	Before RWD (1977-78: Rabi)	After RWD (1978-79: Rabi)	Increase in Percentage
Number of farmers	289	315	9
Total Area Irrigated	168	190	13
Area under cultivation of:			
Wheat	103	117	14
Tobacco	43	46	7
Vegetables	15	17	2
Others	7	10	43

<sup>16</sup>T.K. Jayaraman, "Implementation of Warabandi: A Management Approach" in K.K. Singh (ed.) *Warabandi for Irrigated Agriculture in India*, New Delhi, Central Board of Irrigation and Power, Publication No. 146, November 1980.





was fitted to the farm management survey data collected from the sample farms numbering 107 by survey method for the *rabi* season of 1978-79 and by recall method from the same farmers for the *rabi* season of 1977-78. The fitted equations estimated by means of the ordinary least square method are presented below:

1977-78 (*rabi*)

$$\log Q = 2.842 + 0.631^* \log LD + 0.107^* \log F + 0.107 \log L$$

(8.74) (6.25) (2.81) (1.46)

$R^2 = 0.942$  Degrees of freedom = 103

1978-79 (*rabi*)

$$\log Q = 2.719 + 0.799^* \log LD + 0.164^* \log F + 0.269^* \log F$$

(9.93) (3.87) (2.12) (3.26)

$R^2 = 0.896$  Degrees of freedom = 103

(Figures in parentheses denote 't' values)

\*Denotes significance at 0.05 level by two tailed test.

Where,

$Q$  = Output of wheat in kg.,

$F$  = Fertiliser in rupees, and

$LD$  = Land in hectares,

$L$  = Labour in mandays.

The output elasticities, average and marginal products of land, labour and fertiliser before and after RWD are given in Table 2. It may be seen that average products of land, labour and fertilisers went up over the period. Output elasticities of land and fertiliser registered increases during this period. Since, of the three variables considered, only output elasticities of land and fertiliser were found to be significant both before and after RWD, only their marginal products are compared. While the marginal product of land substantially increased due to RWD, the marginal product of fertilisers rose only very slightly. Evaluation by means of production function analysis reveals that RWD had certainly led to an upward shift in production function and the marginal products of land and fertilisers recorded increases and contribution of labour also emerged significant.<sup>17</sup>

The pilot schemes of RWD continued for another *rabi* season of 1979-80 and a much wider area came under the RWD in the *rabi* season of 1980-81 as part of the World Bank financed scheme for about 60,000 ha in the project area under the Gujarat Second Irrigation Project (1980-1985). In the Rawalapura sub-minor command area, the gains from RWD continued to

<sup>17</sup>T.K. Jayaraman, "An Impact Survey of RWD at the Farm Level in Mahi-Kadana Irrigation Project in Gujarat State, India", *Agricultural Administration*, Vol. 8, No. 11, 1981, pp. 221-35.



TABLE 2 OUTPUT ELASTICITIES, AVERAGE AND MARGINAL PRODUCTS OF LAND, LABOUR AND FERTILISERS BEFORE AND AFTER RWD

<i>Particulars</i>	<i>Before RWD (1977-78 : Rabi)</i>	<i>After RWD (1978-79 : Rabi)</i>
Geometric Means		
Output (kg)	902.8	986.9
Land (ha)	0.3	0.3
Fertiliser (Rs.)	203.6	220.7
Labour (mandays)	25.4	21.1
Production Elasticities		
Land	0.631 <sup>1</sup>	0.799 <sup>1</sup>
Fertiliser	0.107 <sup>1</sup>	0.164 <sup>1</sup>
Labour	0.107 <sup>4</sup>	0.269 <sup>1</sup>
Sum of Elasticities	0.738 <sup>2</sup>	1.012 <sup>3</sup>
Average Products		
Land (kg/ha)	2875.2	3257.3
Fertiliser (kg/Rs.)	4.4	4.4
Labour (kg/mandays)	35.5	46.7
Marginal Products		
Land (kg/ha)	1814.2 <sup>1</sup>	2602.6 <sup>1</sup>
Fertiliser (kg/Rs.)	0.5 <sup>1</sup>	0.7 <sup>1</sup>
Labour (kg/mandays)	—	12.5 <sup>1</sup>

<sup>1</sup>Significant at 0.05 level.<sup>2</sup>Significantly different from Unity.<sup>3</sup>Not significantly different from Unity.<sup>4</sup>Not significant at 0.05 level.

be felt. The farmers were convinced that the irrigation supplies were certain and that the irrigation officials were bound to maintain the level of designed discharge at the outlet since the system above the outlet had also been ensured to provide an adequate and reliable flow during the season.

#### *Emergence of Farmers' Initiatives*

Without any effort on the part of the bureaucracy, an informal executive committee of farmers in the Rawalapura sub-minor came into existence in May 1980 after two years of RWD experiment. The main objective behind formation of the committee was to maintain the assets created for irrigation at the farm level. It should be mentioned here that the farmers in the pilot area were not specifically told that they were to pay for additional investment such as measuring devices and initial lining and repairs though they were aware that they had to pay for the earlier provision of OFD works. But deliberate silence on the part of CADA was eloquent enough to convey



the message that the expensive additional infrastructure facilities provided at the government cost would be able to give returns each year only if they were well taken care of.

The committee consisted of four irrigators and the *chowkidar*, the lowest rank official of the Irrigation Department. The functions of the committee were twofold: (i) to maintain the infrastructure below the outlet level, and (ii) to keep liaison with the Irrigation Department on behalf of all the irrigators. The committee collected subscriptions for the farmers at the rate of Rs. 5 before each agriculture season for carrying out maintenance work through hiring labour. Originally two outlets were taken up for repairs but the response from other outlets in the sub-minor was so spontaneous that the committee decided to enlarge its operation for the entire sub-minor which covered three villages. Since the time schedule for irrigating each field was fixed and made known to all the farmers in an outlet, and since the time schedule cannot be easily altered or extended, each farmer was keen to get the maximum flow in the allotted time for which the channels had to be kept in top condition. This particular anxiety made them acutely aware of the importance of their maintenance.

The frequency distribution of irrigators in the Rawalapura sub-minor by size of land holdings shows that 76 per cent of farmers were small and marginal farmers owning land up to one hectare as given in Table 3. The

TABLE 3 DISTRIBUTION OF IRRIGATORS INTO DIVISIONS AND CATEGORIES

	Size			Location			Education			
	Marginal	Small	Large	Head Reaches	Mid-dle	Tail End	No Sch-ooling	Pri-mary	Sec-ond-ary	Col-lege
Number of Irrigators (N=279)	114 (38)	114 (38)	69 (24)	84 (28)	116 (39)	97 (33)	45 (15)	170 (57)	70 (24)	12 (4)
Area in Ha	47.30	67.88	80.18	72.66	80.81	42.29	25.69	102.88	49.43	17.36
Total: (195.36)	(24)	(35)	(41)	(37)	(41)	(22)	(13)	(53)	(25)	(9)

average size of landholding in the pilot area was 0.70 ha. As regards caste position, the Patels were 55 per cent of the irrigators followed by Rajputs and Thakurs. All the four farmers in the committee were Patels. However, the rest of the farming community felt that their interests insofar as they covered maintenance and liaison with bureaucracy were all protected by the committee. It is also worth noting that the economic interests were identical in that the average size of the holding was less than one hectare and for them access to irrigation supplies was critical for survival.



The leadership came from the traditionally landowning and self-cultivating class of Patels. Further, the leader had also a background of social and economic service in that he had been the president of the village milk cooperative society, which collected milk and transmitted it to cooperative milk processing plant at Anand, four km away. The past record of service to the village naturally helped him to assume stewardship in irrigation infrastructure maintenance and the farmers seemed to have rallied round him. As regards socially disadvantaged sections of the community, who were in the minority, no special consideration was shown. They along with the farmers had to contribute a fee of five rupees for labour charges but as the functions of the committee were minimal, there was no basic opposition from them to the initiatives displayed by the committee.

From the foregoing discussion it is apparent that certain minimum conditions need to be fulfilled before farmers come together for group action of the outlet level. These minimum conditions relate to the demonstration of reasonably adequate, predictable and controllable irrigation supplies and to the presence of a receptive bureaucracy in the CADA. With a view to assessing attitudes of the irrigators in the Rawalapura sub-minor toward a formal type of function with more complex functions, such as processing of irrigation applications at the start of each season and collection of water charges on behalf of government, an attitude survey was conducted. There was a 97 per cent (297 farmers) response from the farms in the sub-minor area; the remaining 3 per cent (8 farmers) were away from their homes on the day of interview.

#### *A Survey of Attitudes to Organisations*

The irrigators were classified in three divisions with reference to: (a) *Size of the farms*—marginal (land holding below one ha), small (land holding above one ha and up to two ha), and large (land holding above two ha); (b) *Location*—upper reaches of the field channel from the outlet, middle portion and the tail part; and (c) *Educational background*—no schooling, primary, high school, and college. The distribution of 297 farmers into different categories is given in Table 3. The irrigators were mostly marginal and small farmers, forming 76 per cent of the total sample. In terms of educational background, 15 per cent of farmers had no schooling, whereas a major part of them (57 per cent) had only primary education; farmers with secondary education comprised 23 per cent and farmers with higher education formed a negligible proportion (4 per cent).

The attitudes of the farmers can be grouped into the following four categories: (i) pre-conditions for formation of irrigators associations; (ii) types of organisation—formal or informal; (iii) resources of organisation; and (iv) involvement of non-irrigators. Nine statements prepared for these categories were included in a non-disguised and structural questionnaire. The statements were graded on a simple Likert scale ranging



from 'agree', and 'do not know' to 'disagree' instead of a conventional five-point scale, since most of the irrigators were unable to distinguish between the two views 'strongly agree' and 'agree' in a pilot test of the questionnaire.

To reflect the facilitating pre-conditions, the irrigators were asked about their perception of the working of RWD and their ability to self-regulate the schedules and the need for organisation. Ninetysix per cent of the farmers expressed satisfaction, 79 per cent felt confident about the ability to self-regulate and 71 per cent agreed that there was a need for an organisation. The weighted mean was higher than the simple arithmetic mean and was found to be statistically significant by the two-tailed 't' test, the level of significance chosen being 5 per cent (see Table 4 below). Thus, the

TABLE 4 ATTITUDES OF IRRIGATORS IN RAWALAPURA SUB-MINOR (N=297)  
(Percentage of total in parentheses)

Statements	Agree	Do not know	Disagree	Weighted Mean	't' Statistic
<i>Pre-Conditions</i>					
1. RWD is working satisfactorily	284 (95)	5 (2)	8 (3)	2.929	46.23*
2. Irrigators are able to self-regulate the observations of RWD schedule	235 (79)	3 (1)	59 (20)	2.592	12.748*
3. It is desirable to have an irrigators' organisation	211 (71)	14 (5)	72 (20)	2.468	9.399*
<i>Type of Organisation</i>					
1. The organisation should be formal	66 (31)	4 (2)	141 (67)	1.168	-16.33*
2. The present system of outlet committees and sub-groups is satisfactory	161 (54)	34 (12)	102 (34)	2.198	3.704*
<i>Resources for Organisations</i>					
1. Existing rates can be raised by a certain per cent and the incremental proceeds can be handed to committees for maintenance of OFD works	164 (55)	14 (5)	119 (40)	2.152	2.712
2. The outlet committee can collect fees from members for maintenance	210 (71)	15 (4)	72 (25)	2.465	9.343*
<i>Involvement of Non-Irrigators</i>					
1. It is desirable to associate village leaders although they may not be irrigators	144 (49)	24 (8)	129 (43)	2.051	0.916
2. It is desirable to associate panchayat with irrigators' organisation	65 (22)	37 (12)	195 (66)	1.562	-9.114*

\*Significant at 0.05 level.



knoll hypotheses that the irrigators were indifferent to RWD, to their ability to self-regulate and to the need for an organisation are rejected. It can, thus, be safely concluded that the area could be considered to be ready for organisational efforts to involve the farmers in irrigation management at the outlet level.

As regards type of organisation, of the 211 farmers who desired for an organisation, two-thirds rejected a formally structured organisation, which is statistically significant. Ninetytwo per cent of 211 irrigators preferred the present informal organisation.

While the irrigators positively responded to the raising of resources for the organisation, there was some disagreement about the manner of mobilising resources. Forty per cent disagreed with the suggestion to increase irrigation rates and earmark incremental proceeds for the committees whereas 70 per cent of the farmers reacted favourably to the current procedure of collecting fees from the members. Thus, it is obvious that farmers prefer their own mode of raising resources to governmental efforts through increasing irrigation fees.

On involvement of outsiders other than irrigators, the respondents were more or less equally divided. The knoll hypothesis that they were indifferent to this specific idea cannot be rejected since the  $t$  statistic was not found significant. However, they clearly rejected the idea of associating *panchayati* bodies with irrigators' organisations as evidenced by  $t$  test of significance.

### *Functions of Organisation*

Six possible functions of the irrigators' organisations were suggested to the respondents for ranking them in order of importance:

1. Solving disputes among the irrigators,
2. Liaison with the irrigation department on behalf of irrigators,
3. Observance of the RWD schedules,
4. Maintenance of field channels and structures,
5. Collection of charges and processing the applications from farmers on behalf of the irrigation department, and
6. Extension in water management.

These ranks were analysed by major division. For example, the ranks assigned by marginal, small and large farmers and their frequencies are presented in Tables 5 to 7. For each function, aggregate scores have been computed by multiplying frequencies of farmers occurring in that rank with the score of that rank—the first rank having 6 marks, the second 5 and so on. The final rank is given to each function by ranking aggregate scores. Thus, the marginal farmers gave first rank to observance of RWD schedules, the second to the maintenance of field channels, third to

TABLE 5 RANKING OF FUNCTIONS OF IRRIGATORS' ORGANISATIONS:  
MARGINAL FARMERS

Sl. No.	Functions of Irrigators' Organisation	Frequencies of Irrigators in the Rank Assigned						Agg- regate Score	Final Rank
		1	2	3	4	5	6		
1	Solving Disputes Among Irriga- tors	10	12	24	37	16	15	374	4
2	Liaison with Irrigation Depart- ment on behalf of Farmers	11	15	36	18	23	11	376	3
3	Observance of RWD Schedules	31	53	13	11	6	0	554	1
4	Maintenance of field Channels and Structures	48	22	14	15	12	3	526	2
5	Collection of Irrigation Charges and Processing of Applications of Irrigators on behalf of the Irriga- tion Department	0	3	9	14	39	49	220	6
6	Extension in Irrigation Manage- ment	14	9	18	19	18	36	330	5

TABLE 6 RANKING OF FUNCTIONS OF IRRIGATORS' ORGANISATION:  
SMALL FARMERS

Sl No.	Functions of Irrigators' Organisation	Frequencies of Irrigators in the Rank Assigned						Agg- regate Score	Final Rank
		1	2	3	4	5	6		
1	Solving Disputes Among Irri- gators	6	7	19	43	18	21	333	4
2	Liaison with Irrigation Depart- ment on behalf of Farmers	10	16	36	23	20	9	402	3
3	Observance of RWD Schedules	29	56	20	8	1	0	560	1
4	Maintenance of Field Channels and Structures	54	17	19	15	7	2	546	2
5	Collection of Irrigation Charges and Processing of Applications of Irrigators on behalf of the Irri- gation Department	11	6	7	8	43	39	273	5
6	Extension in Irrigation Manage- ment	4	12	13	17	25	43	280	6

TABLE 7 RANKING OF FUNCTIONS OF IRRIGATORS' ORGANISATIONS:  
LARGE FARMERS

Sl. No.	Functions of Irrigators' Organisation	Frequencies of Irrigators in the Rank Assigned						Agg- regate Score	Final Rank
		1	2	3	4	5	6		
1	Solving Disputes Among Irriga- tors	6	8	12	19	10	14	215	4
2	Liaison with Irrigation Depart- ment on behalf of Farmers	11	9	26	12	9	2	271	3
3	Observance of RWD Schedules	12	32	12	8	4	1	313	2
4	Maintenance of Field Channels and Structures	27	12	14	9	5	2	317	1
5	Collection of Irrigation Charges and Processing of Applications of Irrigators on behalf of the Irri- gation Department	6	4	3	4	32	20	164	6
6	Extension in Irrigation Manage- ment	7	4	2	17	9	30	169	5

liaison work, fourth to the resolution of disputes, fifth to extension, and sixth to collection of water charges on behalf of government. The large farmers also followed the same pattern but the small farmers gave slight variation in ranking with respect to collection of water charges and extension in water management.

Similar exercises were undertaken for the three categories of farmers by physical location and four categories by educational background. For want of space, the Tables are not reproduced here but a summary of their rankings is given in Table 8.

To determine whether the ranks assigned by three categories of irrigators with regard to size and location, and by four categories with regard to educational background, differ considerably among themselves, Kendall's Coefficients of Concordance were also calculated. The values of the coefficients were high for all the three major divisions. The maximum value of unity was recorded for the second major division—physical location—as there was virtually no difference between the three categories in their ranking of functions. It is obvious that farmers assigned a high priority to maintenance of field channels, regulation of RWD schedules and solving of disputes and low priority to the collection of irrigation charges and extension in water management.

#### *A Discriminant Function Analysis*

Utilising the same survey data and incorporating three more variables—namely, age of the farmer, to assess his mental maturity, his personal satisfaction or otherwise, and ability to self-regulate—a discriminant func-





TABLE 8 CATEGORYWISE SUMMARY OF RANKING FUNCTIONS OF IRRIGATORS' ORGANISATION

Sl. No.	Category of Irrigators	Ranking of Functions of Irrigators' Organisation						Kendall's Coefficient of Concordance
		Solving Dispute Among Farmers	Liaison with Irrigation Department	Observance of RWD Schedule	Maintenance of Field Channels and Structures	Collection of Water Charges and Processing of Application	Extension in Irrigation Management	
1	Size:							
	(a) Marginal	4	3	1	2	6	5	0.947
	(b) Small	4	3	1	2	5	6	
	(c) Large	4	3	2	1	6	5	
2	Location:							
	(a) Head Reaches	4	3	1	2	6	5	1.000
	(b) Middle	4	3	1	2	6	5	
	(c) Tail-end	4	3	1	2	6	5	
3	Education:							
	(a) No Schooling	3	4	1	2	6	5	0.696
	(b) Primary	4	3	1	2	6	5	
	(c) Secondary	4	3	2	1	6	5	
	(d) College	3.5	3.5	1.5	5	6	1.5	

tion analysis was conducted. In all, there were seven variables and 216 farmers (out of 305 farmers) about whom full information on all variables was available. Out of 216 irrigators, 170 preferred to form an organisation and 46 expressed themselves against forming any organisation. The attitude towards organisation, either for or against, is the dichotomy separating the two groups distinctly from each other.

The linear discriminant function of the following form is employed to discriminate the socio-economic characteristics of the two groups of farmers:

$$Z = \sum_{R=1}^n A_R X_R$$

where,

$Z$  = Total discriminant score for the irrigator who is for an association and for the irrigator who is against such an association.



- $X_1$  = Size of holding in hectares.  
 $X_2$  = Age in years.  
 $X_3$  = 0, if the irrigator is illiterate.  
           1, if the irrigator has attended primary school.  
           2, if the irrigator has attended secondary school, or  
           3, if the irrigator has attended college.  
 $X_4$  = 0, if the irrigator is located at the tail-end.  
           1, if the irrigator is located at the middle, or  
           2, if the irrigator is located at the upper reaches.  
 $X_5$  = 0, if the irrigator is not satisfied with RWD, or  
           1, if the irrigator is satisfied with RWD.  
 $X_6$  = 0, if the irrigator is not prepared to self-regulate, or  
           1, if the irrigator is prepared to self-regulate, and  
 $X_7$  = 0, if the irrigator feels that his right to water would not be  
           protected, or  
           1, if the irrigator feels that his right to water would be protected.

Before the entire set of variables was entered into an analysis, test of difference between the sample means was conducted. Table 9 presents the means and standard deviations of the independent variables for two groups of irrigators. The statistical *t* tests for determining difference between the two groups' means for each variable were conducted. The tests show absence of any significance between two groups means as regards four variables namely, land holding, age, education and protection of rights. But in regard to three variables, namely location, satisfaction with RWD and ability to self-regulate there is a high degree of statistical significance between

TABLE 9 MEANS AND STANDARD DEVIATIONS OF VARIABLES:  
COMPARISON OF TWO GROUPS

Variables	Irrigators in Favour of Organisation (n=170)		Irrigators Against Organisation (n=46)		't' Statistic
	Mean	Standard Deviation	Mean	Standard Deviation	
Area (ha)	0.59	0.63	0.56	0.51	0.1127
Age (years)	48.69	13.96	48.11	12.78	0.0716
Education	1.18	0.71	1.17	0.71	0.0072
Location	1.04	0.79	0.80	0.69	4.1081*
Satisfaction with RWD	0.96	0.19	0.85	0.36	3.9934*
Ability to Self-Regulate	0.88	0.32	0.48	0.51	25.5726*
Protection of Rights	0.93	0.26	0.87	0.34	1.2368

\*Significant at 0.05 level.



two groups' means. Thus, on the basis of the above analysis, one can conclude that if an irrigator is favourably located in the outlet command, given other things, is more likely to be in favour of an organisation as contrasted with the irrigator located at the tail-end. Similarly, satisfaction with RWD and self-reliance for regulating the supplies are also significant factors influencing the formation of an organisation.

When the entire set of seven variables is entered into an analysis, without rejecting any of them for measuring the characteristics on which groups are expected to differ, the discriminant analysis is resorted to. Table 10 presents the results reporting the values of discriminant weights for the seven variables. The tests of significance, both *F* ratio and the Bartlett's *Chi*-square test show that the function determined by all the seven variables is statistically significant. Hence, the null hypothesis of equality of group centroids (means) is rejected. Table 11 presents the means of two groups' discriminant scores. The cut off point for discriminating between the two groups of irrigators, one for and the other against organisation is arrived at by taking the simple mean of two groups' mean discriminant score. On the basis of the cut-off point, the predicted classification of the irrigators as

TABLE 10 RESULTS OF DISCRIMINANT ANALYSIS

Variables		Discriminant Weights	
Area		0.0118	
Age		—0.0001	
Education		—0.0058	
Location		0.0265	
Level of Satisfaction with RWD		0.0163	
Ability to Self-regulate		0.1830	
Protection of Rights		—0.0440	
Mahalanobis' $D^2$	=1.3557	Bartlett's Chi Square Test	=43.4655
F (7,208)	=6.8150	(Degrees of Freedom : 7)	

TABLE 11 DISCRIMINANT SCORE MEANS AND CUT-OFF POINT

Group	Sample Size	Mean
For Organisation	170	0.1586
Against Organisation	46	0.0796
$0.1586 + 0.0796$		
Cut-off Point : = $\frac{\quad}{2}$		
=0.1191		



TABLE 12 CLASSIFICATION MATRIX OF IRRIGATORS

<i>Actual</i>	<i>Predicted by Function</i>		<i>Total</i>
	<i>For Organisa- tion</i>	<i>Against Organisa- tion</i>	
For Organisation	151	19	170
Against Organisation	22	24	46
<b>TOTAL</b>	<b>173</b>	<b>43</b>	<b>216</b>

against the actual classification into two groups is shown in Table 12. It is of interest to note that the classification matrix suggests that  $(151 + 24)/216$  of 81 per cent of the sample is correctly classified. Hence, the separation effected by the discriminant function is fairly satisfactory from the practical point of view as well.<sup>18</sup>

#### CONCLUSIONS

The foregoing discussion of the results of field studies in the Mahi-Kadana irrigation project in Gujarat State clearly indicates that there is room for group action if only the shortages of a valuable natural resource are reasonably within the realm of controllability under conditions of assuredness. It is well known that in the case of a consumption good, whether private or public, being a free good because of its infinitely plentiful nature, no scarcity relative to demand is experienced and hence there is no need for any group action by consumers. On the other hand, if the supply of a consumption good, whether private or public, is extremely short in relation to demand, group action by consumers in its distribution becomes a frustrating effort and often fails. Severity in shortage determines the degree of success or failure of group action.

Only if the shortages are reasonably manageable, without causing frustration, and in the process, no theft or hoarding is possible, equitable distribution with regard to the need and ability to pay for is possible. Irrigation supplies in a public sector project are no exception to this general rule. As long as the shortages are reasonably managed and the irrigators are convinced of the sincerity and efficiency of these efforts of

<sup>18</sup>T. K. Jayaraman, "Factors Influencing the Irrigators Organisation in India: A Discriminant Function Analysis", *International Journal of Water Resources Development*, Vol. 1, No. 3, 1983.



the project management, there appears to be a reasonable scope for group action.

The management efforts would refer to discharging of five essential management tasks: (i) keeping the distribution network in good condition, (ii) intensive operation and maintenance of infrastructure, (iii) careful planning of cropping patterns and schedule of irrigation, (iv) care in the allocation and scheduling of water both among and within the systems, and (v) equitable distribution of available water to all sections of the irrigation community.<sup>19</sup>

The sincerity and efficiency of the management efforts are indicated by the degree of professionalisation of management tasks themselves. As discussed elsewhere, presently in India, these tasks are labelled as operation and maintenance (O&M) which simply indicate the dull and dreary nature of the chores often performed by those of the irrigation department, who consider themselves less fortunate than their brethren in the construction and design (C&D) wing and look forward to the days when they could move out to that wing.<sup>20</sup> The apparent lack of pride and self-esteem stems forth from the absence of a professionalist approach to irrigation management tasks with a concern for the client's interest as well as a commitment to the discharge of specialised functions. Efforts are underway to elevate the status of the O&M personnel to the same rank as that of C&D wing with as many promotional opportunities and privileges as available to the latter and to provide further multi-disciplinary skills to all, civil engineers and agricultural personnel of the CADA in specially set up irrigation management training centres.

The participatory role by the farmers can be facilitated only when better management practices are adopted by project authorities. The field studies conducted in the Mahi-Kadana irrigation project, located right in the heart of the Kheda district, which is well known for the legendary AMUL milk cooperatives,<sup>21</sup> integrated cotton processing societies and farmers' active role, show that unless there is technical efficiency in irrigation projects as reflected in the ultimate user satisfaction at the farm level, irrigators will not come forward to assume any participatory role.

Thus, it may be concluded that if an appropriate institutional setting provided by the experience of local self-government agencies and presence of an economic and social environment developed by the cooperative

<sup>19</sup>D.W. Bromley, D.C. Taylor and A. Parker, "Water Reforms and Economic Development: Institutional Aspect of Water Management in the Developing Countries", *Economic Development and Cultural Change*, Vol. 28, No. 2, 1980, p. 366.

<sup>20</sup>T.K. Jayaraman, "Attitudes of the Irrigation Bureaucracy in India to Scientific Water Management Tasks in Irrigated Agriculture", *Zeitschrift für Ausländische Landwirtschaft*, Vol. 20, No. 3, 1981, pp. 279-92.

<sup>21</sup>A.H. Somjee and G. Somjee, "Cooperative Dairying and the Profiles of Social Change in India", *Economic Development and Cultural Change*, Vol. 26, No. 3, 1978, pp. 572-90.



processing societies and structures is a necessary condition for farmer participation, the sufficient condition for such participation at the farm level of irrigation is water user's satisfaction. Specifically, the socio-economic determinants of community responses to irrigation in the Indian public sector irrigation projects can be summarised in the following conclusions that emerge from the field studies:

1. Certainties in irrigation supplied from the gated turnouts would be chiefly responsible for group-action among the farmers.
2. The relative egalitarian structure of the community as indicated by the land-holding size and the commonly shared interest in access to equitable and efficient water supplies are also significant factors.
3. Leadership has to come from the tested hands in the community in whom there is trust and confidence. Such a person or a group of persons acting as a chairman or a steering committee has to prove his or their worth by past performance or by present occupation as a local self-government leader or a chairman of a cooperative society.
4. The leader should also be an irrigator and share the same egalitarian structure and interests alongwith other irrigators, only such a combination would convince the weaker sections of the community of the bonafides of the initiatives displayed.
5. Form of organisation should be simple and informal with a small membership at the steering committee level; being simple it covers the entire sub-minor though a canal went through the villages. Thus, a simple and an informal committee can effectively be canal-based rather than village-based.
6. Functions should remain uncomplicated and minimal, such as maintenance of OFD works and liaison with the irrigation bureaucracy.
7. More complex functions—such as collection of application forms for irrigations, and collection of water charges on behalf of irrigation department as transferred functions and water management extension — would lead to a complex form of organisation to be backed with legal power. In the generally faction-ridden village societies, complicated functions with financial responsibilities create accute problems of accountability and financial propriety. In the nascent stages of farmer participation in irrigation projects in India, simple and informal organisations with minimal functions are likely to last longer than complex organisational structures. □

## Issues in Managing Replication in Development Programmes

Ashok Subramanian

SEVERAL LARGE scale public programmes have been implemented by the government in the country during the last 30 years. The design of these programmes has involved some basic tasks for its managers. They are: (1) Gaining *policy support* from the political and bureaucratic leadership. Under this, the decision-making group is required to consider the programme and to elicit support for it once initiated. (2) Developing *strategies* for programme formulation and implementation. Under this, specific components of the programme have to be identified and plans drawn up. (3) Finding *resources*. Under this, funds and personnel of a size and type, in line with the strategies, have to be raised and planned for. (4) Identifying or developing an *organisational structure* for the programme to be executed. The presence or absence of political and bureaucratic will; adequacy or scarcity of public or private resources; evolution or application of criteria for resource allocation; development of new technical and managerial capabilities; adequacy or otherwise of existing organisational forms, such as the development bureaucracy—are some of the critical considerations in planning for the tasks.

There is yet another aspect to the design. Many of the development programmes of the last 30 years have grown from pilot projects or trials and experiments either in the public (governmental) or private (non-governmental) sectors. A few Community Development Blocks were first tried out soon after independence before the decision was taken to set up block development offices throughout the country—one for every 100 villages and a population unit of 60,000 to 70,000. The Etawah experiments in community development are well known. The Small Farmers' Development Agency was initiated in a few districts in 1971 and later expanded to 43 districts by 1973. As its name suggests, the Pilot Intensive Rural Employment Project of the early seventies was implemented with the objective of providing insights into patterns of employment. This helped in planning the Food for Work Programme of 1977-78. More recently, the Integrated Rural Development Programme was formulated on the basis of the cumulative experience of anti-poverty programmes and field trials in the late 1970s. In the social services, the Community Health Volunteer Scheme of 1978 was adapted from the experiences of several projects of



voluntary health agencies, some of which gained considerable attention in the seventies. The scheme was tried out first in selected Primary Health Centres and then extended to others the following year. The National Adult Education Programme of 1978 explicitly stated that its first year was one of trial and experimentation, before it assumed large scale proportions in 1979<sup>1</sup>. In addition, there are other public programmes (such as the Operation Flood for dairy development) which have evolved on the basis of models (such as Amul) demonstrated in the field.

The primary *rationale* for replication lies in the urgency for remedying the situation in which large sections of the country's population remain either without access to public services or unable to use them<sup>2</sup>. At the same time, the *hope* for successful replication stems from the fact that some of the basic infrastructural facilities, such as the block development offices, primary and secondary schools, primary health centres and panchayats are available—even if in an unsatisfactory condition in some places—across the country. Moreover, there is a limb of almost every developmental agency of the government in a district. Therefore, the need for a quick extension and the availability of an institutional base for such extension encourage development agencies to attempt programmes of replication, thus taking a great leap forward. The *objective* is clear: to meet the needs of and provide services to a larger population of intended beneficiaries in as short a time as possible.

While questions regarding policy support, strategies, resources and organisation are significant for all large-scale programmes, replication or the movement from a small-scale project—referred to as 'Project' hereafter—to a large scale programme—referred to as 'Programme' hereafter—raises in its wake, a critical poser regarding the transfer of learnings from one to the other and hence, the management strategies related to the transfer. The management of the transfer of experience from the project to the programme is at the core of the process of replication.

### *The Focus*

Replication involves the extension of an initial experience. Such extension is attempted through the multiplication of the pilot project. Expanding the reach of the project in the same place where it is located is referred to as scaling up. Replication is the multiplication of the project in another place or in other places.<sup>3</sup>

<sup>1</sup>Government of India, Directorate of Adult Education, *Training of Adult Education Functionaries—A Handbook*, Ministry of Education and Social Welfare, New Delhi, Government of India, 1978, p.5.

<sup>2</sup>Government of India, Planning Commission, *The Sixth Five Year Plan*, New Delhi, Government of India, 1980.

<sup>3</sup>B.S. Yaser, "Replication and Scaling Up Criteria in Project Design", in D. Miller (ed.), *Studies on Rural Development*, Paris, Development Centre of the Organisation for Economic Cooperation and Development, Vol. I, 1980, pp.108-143.





Such an expansion implies a significant increase in the size or scale of the initial project in terms of the territorial or population coverage and volume of activities and hence a substantial change in the quality and quantity of financial, organisational and human resources required. More importantly, it implies the transfer of experience from a project in a given context to a programme implemented in varying contexts. The implicit understanding is that the project has evolved a *model*, a prototype, whose multiplication can then be rapidly planned for across a wide geographical area.

Public programmes in development may be launched directly on the basis of the model project implemented by private, non-governmental agencies or the public system itself. Sometimes, a two-step process, by which the lessons learnt from the project of a non-governmental agency are first tried out in the public system before going in for a large scale replication, is also attempted.

The duplication of a prototype is a familiar process in the field of engineering. Many manufacturers make the part or equipment on the basis of a model. Similarly, in agriculture, one is familiar with the process by which a new variety of seed or type of fertiliser is experimented within the laboratory, tried out in the field and later extended to farms all over the country. While these efforts at extending physical or material technology, resource or infrastructure do require experimentation and adaptation, it is the programmes attempting to extend social and economic services that will have to pay much greater attention to the complexities of replication. This is because, local social institutions, conditions and processes greatly influence the use of the programme services and these usually vary considerably from area to area and region to region. Similarly, implementing structures and personnel in the programme are likely to differ considerably from those in the project. Thus, the fact of a project being successful does not ensure the success of a programme. It might, therefore, be useful to take a closer look at the process of replication so as to aid its management.

The movement from a project to a programme has not attracted much attention from researchers. While the literature on project evaluation refers to it<sup>4</sup>, there has been, as far as we know, limited analysis of the process of replication in the context of programme management, as a means of helping the formulation of strategy. Yaser<sup>5</sup>, in her review of the problem of replication and scaling up in the design of projects, with focus on those funded by external aid agencies, notes that *ex post* evaluations have pointed

<sup>4</sup>See, H. Rossi and W. Williams, *Evaluating Social Programmes—Theory, Practice and Politics*, New York, Seminar Press, 1972; E.J. Mullen, J.R. Dumpson *et al*, *Evaluation of Social Intervention*, San Francisco, Jossey Bass, 1972; and W. Reicken and R.F. Boruch (eds.), *Social Experimentation—A Method for Planning and Evaluating Social Intervention*, New York, Academic Press, 1974, p. 144.

<sup>5</sup>Yaser, *op. cit.*



to the need for better *ex ante* appraisals. Criteria of replicability can then be explicitly included as an item of study in the appraisal. She lists a number of hypotheses why "foreign assistance projects" are not replicated and suggests a set of tests to study them. Pyle<sup>6</sup>, in his discussion of problems of expanding projects into programmes on the basis of experiences in the health sector in India, emphasises the significance of processes underlying a strategy's potential for effectiveness. He calls for an analysis of "organisational and political structures within which the expanded effort will be implemented" to review the compatibility between strategy and structure. Paul's review<sup>7</sup> of six public development programmes suggests the importance of local adaptations of the project, given the variety of situations in a programme and the need for formalisation of certain informal processes that mark the project. The stress on social processes, which build people's capabilities, leads Matthai to distinguish between replicability and extensibility—the former being the notion of a change-agent creating circumstances in a planned way, as in social engineering, and the latter exemplifying "people-helping-people values" by which each one who benefits from the service extends his knowledge and skill to the other. Matthai stresses the need for the 'extensible' processes in development.<sup>8</sup>

#### *Constraining Features of Projects*

The central concerns that emerge seem to relate to: (1) the context of replication, and (2) its content. Before we discuss these central concerns, it might be useful to briefly review the specific features in a project which do not easily lend themselves to replication through a programme. *Firstly*, the project may not have been intended to be a model. It may have come about in response to particular needs and problems and it may be the case that it did not start with replication in mind. Thus, it may not have been originally conceived of as a model, but posterity may have thrust upon it such greatness. For instance, in the case of Amul, the development of dairy cooperatives was a response to the problem of milk producers in Kaira district. However, once its potentiality became evident, a national programme, Operation Flood I, was launched to replicate its effort.<sup>9</sup>

*Secondly*, the size of operations in a project may not pose threats to social, economic or political interests. A programme may involve such

<sup>6</sup>D. Pyle, *Nutrition Interventions—Problems Associated with Expanding Pilot/Demonstration Projects into National Level Programmes*, Massachusetts Institute of Technology, 1981, (mimeo).

<sup>7</sup>S. Paul, *Managing Development Programmes—The Lessons of Success*, Boulder, Westview Press, 1982.

<sup>8</sup>R.J. Matthai (n.d.), *Experiments in Educational Innovation of Rural University, Jawaja Project, First Phase, August 1975—April 1977*, Ahmedabad, Indian Institute of Management, pp. 124-25 and 127.

<sup>9</sup>Paul, *op. cit.*



threats and challenges. For instance, the grassroot village health worker was accepted as a breakthrough when voluntary agencies demonstrated her effectiveness. When the Community Health Volunteer became a part of the health programme, the earlier tolerant or muted interest of the medical professionals turned into snowballing criticism.<sup>10</sup> Some of the states did not accept the scheme partly due to pressure from professionals. In other words, what is supported or overlooked at a micro level may not be so acceptable to various interest groups when extended to the larger system.<sup>11</sup>

*Thirdly*, the project is likely to provide the necessary flexibility for changes if the local environment or beneficiary needs demand such changes over time. A programme, especially if undertaken by the government, is apt to attempt standardisation of policies, procedures and processes, thus considerably affecting the flexibility of the managers at the local level in the programme.

The *fourth* feature is the informal and personalised process that is more likely to characterise the project due to its size. Informal communication among its staff, rather than elaborate and formal systems of information, may be used for monitoring and problem solving. The rigidities of a programme may not easily permit such processes and it may well be necessary to think of innovative structures or appropriate means of performing the same functions.

Over and above these four attributes, there may be others unique to a project experience. It is often felt that in the micro project:

1. Resources used are out of proportion to the activities. External donor agencies or even the government may pump in more money than will be available for the programme. The justification, however, may be that a variety of experimental strategies have to be tried out in a project so that the 'best' ones can be discovered. Korten<sup>12</sup> refers to this as the process of learning to be effective.
2. Commitment of a high order is present. Either a noble cause or a charismatic leader invokes commitment for a project among its personnel. This is often a feature of voluntary agency efforts, referred to as the halo-and-hero image of voluntary agencies.<sup>13</sup>

The project may be further constrained by an externality, such as

<sup>10</sup>Pyle, *op. cit.*

<sup>11</sup>H. Sethi, "Alternative Development Strategies—A Look at Some Micro Projects", *Economic and Political Weekly*, Special Number, August 1978, pp. 1307-16.

<sup>12</sup>D.C. Korten, "Community Organisation and Rural Development—A Learning Process Approach", *Public Administration Review*, September-October 1980, pp. 480-511.

<sup>13</sup>A. Subramanian, *Managing Grass Roots Organisations—A Study of Voluntary Agencies in Development Programmes*, (Working Paper), Ahmedabad, Indian Institute of Management, (mimeo).



inadequate or inordinate degree of attention. In the public system, there may be inadequate attention given to the project since there may be a great pressure to hasten the project phase so as to take on a massive programme. This happened in the case of the Community Health Volunteer Scheme. While the role had been tried out with success by voluntary agencies, there was not much time for testing this out and preparing the ground within the public system. Pilot projects were initiated within the public health service structure, but the expansion of the scheme did not wait for their review. On the other hand, 'floodlighting' due to the interest of political or bureaucratic leadership or of international agencies may lead to high visibility, abnormal attention, and consequent exemplary performance.

### *Content and Context*

Awareness of the features in a project can equip the programme manager with knowledge of the factors likely to hinder the process of replication. The two questions that he would have to ask are: (1) What are the lessons of the project and hence what is it that is being replicated? This would refer to the *content* of replication; and (2) How is it to be replicated? This would consider the *context* in which the programme is to be planned and implemented.

The model project would have demonstrated a range of elements that has proven effective for a given problem. This can include objectives, strategies, mode of organisation, technology, methods, and organisational processes. In the case of the Community Health Volunteer Scheme, the voluntary agency efforts in the early seventies had shown that such a role would provide a critical link between the health system and its beneficiaries and decentralise a certain type of health care to the village level. Appropriate processes of selection, training and monitoring and a structure of back-up services were demonstrated. The national scheme or the large scale programme of the government started with this learning. A decision was necessary as to the objective of the scheme in order to determine the content of replication. Multiple objectives characterised this programme, as indeed they affect many public programmes in general. As a consequence, not all the elements of the project could be faithfully retained. This underlines the criticism of governmental attempts at replication that the absence of key elements of the project in the programme leads to a mechanistic extension of the learning. The necessary structural changes in the administrative organisation, such as the development bureaucracy or in the larger society, may neither be made nor be feasible, thereby limiting the effectiveness of the transfer.

It has been observed that the objective of replication is to extend the useful experiences of a project to as large a population as possible. It is a major assumption whether, in fact, this happens when an attempt is made to 'quickly cover' as many districts and blocks in as short a time as possible.



Development can then easily wind up being a distribution of some 'benefit' or the other, reflected by an array of statistics of 'coverage'.<sup>14</sup> As a consequence, those aspects of a project that are easy to duplicate and involve the transfer of physical inputs to the people—medicine, buffaloes and the like—are likely to be pushed in order to demonstrate quantitative achievements. The efforts of enabling people to strengthen themselves and influence development processes, efforts that may be a part of the smaller project, may get left out in the cold. In the case of the National Adult Education Programme (NAEP), despite the fact that literacy, functionality and social awareness were equally important objectives, the latter two limped along behind the former's sprint during implementation. Projects that provided the inspiration for the 'large' objectives of the NAEP must have been able to integrate all the objectives.

This discussion points to the need for raising questions regarding objectives of replication while planning and implementing the programme. It is quite likely that the project, due to the features outlined earlier, may stress outcome and impact related measures of assessing performance. The movement to a programme might shift the focus to inputs. Thus, the project might have kept the objective of a rise in income or reduction of mortality well in front while the programme may speak exclusively of bank credit and fertiliser distributed or number of patients in the clinic and quantity of medicines given.

This leads us to questions of the *context* in which the programme is designed and implemented. The context or environment can be both external and internal. The former denotes: (a) the macro socio-political environment of the programme as a whole, and (b) its local environment created by the ecology, the social and economic institutions and the historical setting of the communities to be served. The latter, or the internal environment, refers to the organisational setting—structures, systems, processes and pattern of human interactions within the programme organisation. The external and internal environments can help and hinder a programme and a critical assessment is, therefore, vital.

That the external environment of the programme will vary from that of the project is evident from the diversity of settings in which efforts are made to implement a national or even a regional programme. The income levels, literacy, physical endowments and several demographic and ecological attributes differ considerably from region to region and also within a region. The NAEP of 1978 may serve as an illustration. Recognising the vital variations in social and economic contexts, the NAEP planned for the creation of State Level Resource Centres which were to facilitate the development of teaching material in accordance with the needs of local settings.<sup>15</sup> This

<sup>14</sup> Madras Institute of Development Studies, *Structure and Intervention*, MIDS, Madras, 1980.

<sup>15</sup> Government of India, Directorate of Adult Education, *op. cit.*, pp. 34-5.



factor of local variation is, however, more often neglected in the haste to push a programme and achieve arithmetical targets. The notion of 'family coverage' in rural development programmes may be recalled here. The magnitude of coverage for a given period of time is expected to be the same for every block, no matter how the ecological, social and economic conditions vary, from block to block. Thus, the Integrated Rural Development Programme is to cover 600 families every year in each block<sup>16</sup>.

The interests and responses of various groups relevant to the programme will also constitute its external environment. Thus, as already referred to earlier, the response of the medical profession to the Community Health Volunteer contributed to a constraining environment for its design and implementation at an overall programme level. In this context, reference may be made to a study of an earlier period, where the factors creating the environment for the shift from a professional to a populist health model are identified as the ruling elite's attitude, the decline in the dominance of professionals in the ministry, the personal support of the Prime Minister, the pressures of a redistributive ideology, change in the international professional community's view and growing challenge to the Indian Medical Association's dominant ideology<sup>17</sup>.

As for the internal environment arising out of the organisation structure, the range and quality of the personnel and the work culture within the development bureaucracy would vary considerably from area to area. If the programme is to be implemented through this structure, then there are some obvious limitations it imposes on it. Thus, for instance, the Food for Work Programme showed considerable variation in performance in states that opted for it, despite a uniform set of policy and desired strategies. Although voluntary agencies in health had worked with illiterate women for the delivery of a certain level of health care service in the village, the national volunteer scheme decided to go in for a middle school graduate as the village level worker. The concerted training and follow up over years in the case of the voluntary agencies enabled the health workers to function effectively. However, such an intensive effort was apparently not considered feasible by national programme planners due to the limitations of the district and primary health centre organisation structure. Hence, perhaps, their choice of a uniform, but a more realistic norm of a relatively more literate volunteer. On the other hand, the history of the organisation structure of the health services points to serious constraints of internal environment. Prior to the national scheme, a major structural change in the form of the change of the role of unipurpose into multipurpose health workers had been initiated

<sup>16</sup>Government of India, Planning Commission, *op. cit.*, pp. 171-2.

<sup>17</sup>R.M. Maru, "Policy Formulation as a Political Process—A Case Study of Health Manpower, 1949-75". Paper presented in the Workshop on Public Policy (April 5-7, 1982), Ahmedabad, Indian Institute of Management (mimeo).



and was yet to be fully implemented. Amidst this, yet another role of the community health volunteer was introduced. The readiness of the organisation to absorb new roles in such quick succession would have required careful assessment.

#### MANAGING REPLICATION: KEY ELEMENTS

The management of replication seems to involve the following key elements: (1) analysing the programme environment at the macro and micro level, (2) assessing roles and strategies, (3) ensuring local adaptability and flexibility, and (4) institutionalising significant processes of a project. The following passages will briefly explain these elements.

##### *Analysing the Programme Environment*

This analysis will point to the compatibility between the demands of the programme objectives and the attributes of: (i) the external environment and consequent requirements of organisational flexibility and adaptability, and (ii) the internal environment in terms of capabilities and the culture of work of the implementing organisation.

A wise reading of the environment will impress upon the programme management the need to look for alternative approaches for accomplishing the desired objectives. For instance, the critical objective in a programme may be the prevention of a disease or infection. Reaching this objective may depend on the function of mobilisation and participation of the concerned sections of the community. However, the internal environmental analysis of the organisation of the public health services may indicate that it is unlikely to carry out such a function. Alternatives may then be thought of for the replication effort.

##### *Assessing Roles and Strategies*

On the basis of the foregoing analysis, the programme management may decide on the role it will play in the replication process. For instance, it may decide that, rather than implementing projects directly, the programme's role would be catalytic. That is, it will help other agencies, both public and private and develop projects along the lines of 'the model'. Its objective will then be the successful implementation of the project not directly, but through other channels. Identifying and developing individuals and institutions that can satisfactorily replicate the project will be the significant strategy.

The analysis can also suggest other approaches for the programme management. The external analysis may highlight the obstacles likely to be posed by interest groups that may have tolerated or overlooked the project, but will not support the programme. An approach of moving from a project phase to a transitional phase, where the project is tried out before



launching the programme, may then be chosen. Thus, one might speak of an interim phase of a 'pilot programme' after the pilot project.

Such a pilot programme may even be tried out in locations which do not have very hostile environments. In other words, the programme management may opt for a strategy by which efforts are not diffused in multiple settings. There may not be adequate strength within or support without to see the programme through. Consequently, the project may be replicated in those settings which provide a conducive environment. Such an experience can strengthen the programme management's understanding of the problems in replication.

The interim phase also seems relevant for attempts of the public system at replicating voluntary agency projects. The possibilities and limitations of the governmental system will then be understood before a large-scale operation is initiated. Between the small step and the great leap may then lie a useful hop.

#### *Ensuring Local Adaptability and Flexibility*

As mentioned earlier, the variety of contexts can demand a variety of local managerial responses in a programme. The organisational structure will have to facilitate such responses. While this calls for autonomy at the local level, there may also be a concern about safeguarding institutional norms and objectives. The task of the management will then be the evolution of appropriate monitoring and control measures. Moreover, the responsibility that autonomy calls for at the local level will require a certain level of capabilities at that level. This will require efforts at developing managerial capabilities down the line, with emphasis on sensitivity to local contexts and creation of alternative measures. Resource and organisational support will then follow. Training and human resource development will, thus, form a significant component of the replication process.

#### *Institutionalising Significant Processes of a Project*

The project is likely to have worked with a number of informal processes that are significant for its effectiveness. For instance, field visits by managers and supervisors may have facilitated informal on-site training and monitoring. Joint planning through frequent face-to-face communication may have resulted in a motivated team. The programme management will be faced with the task of setting up policies and systems that will substitute, and in some measure, facilitate the informal processes. Policies can stress the value of the desired processes. For instance, the NAEP stresses that the role of the supervisor, who is to oversee the work of the village level instructors, as not that of a traditional inspector, but one of a supportive resource person.<sup>18</sup> Similarly, while talking of local autonomy for a unit, NAEP draws attention

<sup>18</sup>Government of India, Directorate of Adult Education, *op. cit.*, p. 5-23.





to the undesirable attitude and behaviour of conventional public programme authorities in making 'surprise checks'. The process of selection may be given a great deal of attention in the programme since the right person is more likely to initiate the appropriate processes. New roles, such as that of a social worker, with an orientation to organisational and community processes, may be called for.

Considerable organisational learning may be involved in responding to the third and fourth elements listed above. Iterative exercises of action, review and change will have to form the basis for decisions regarding alternative or modified structures and processes.

#### CONCLUSION

Many development programmes are evolved on the basis of pilot projects and experiments. Managing replication then becomes a significant function in the programme. This involves transfer of the experience of a project, in part or in its entirety, to diverse contexts as part of a large-scale programme.

Planning for resources and logistics is an important function of the programme management. At the same time, it has also to respond to the organisational and socio-political processes constituting the programme environment. Thus, replication is more than a linear extension of the model project and calls for innovative and sensitive managerial responses. □

## Implementation of Dairy Development Schemes at The Grassroot Level: The Case of Sangam Dairy

C. V. Raghavulu  
and  
E. A. Narayana

IT IS widely acknowledged that rural development in India calls for policy initiatives and concerted action on a number of fronts. During the last three and-a-half decades, the government has adapted a number of programmes and strategies for promoting rural development. These include Community Development, Panchayati Raj, Intensive Area Development, Development of Backward Regions, Minimum Needs Programme, Integrated Rural Development Programme (IRDP), etc. The IRDP was evolved from experience gained from the operation of programmes, like SFDA, DPAP, CAD, etc.<sup>1</sup> The main thrust of the programme is to increase productivity and at the same time generate higher incomes for the target groups of small and marginal farmers, agricultural and non-agricultural labourers and rural artisans.<sup>2</sup> The dairy development programmes, sponsored by the National Dairy Development Board (NDDB), constitute a significant component of rural development effort in our country. These dairy development programmes have now completed more than a decade of their existence. The period witnessed a 50 per cent increase in milk production and a five-fold increase in milk powder production. It may be appropriate to evaluate the impact of the dairy development programmes from the broader perspective of the policies as also their economic viability, the adequacy of the organisational structures and their impact on the target groups. This article is based on a detailed study of Sangam Dairy (the Guntur District Milk Producers' Union) and the functioning of Primary Societies within the Dairy's purview.

Two significant developments of the 1970s were: (i) initiation of schemes in dairy development, and (ii) introduction of special schemes for assisting small and marginal farmers and agricultural labourers.\* Under the latter,

<sup>1</sup>National Commission on Agriculture, *Interim Report on Reorganisation of Programmes of Small Farmers and Marginal Farmers and Agricultural Labourers Development Agencies*, New Delhi, Government of India, 1973, pp. 19-20.

<sup>2</sup>See Planning Commission (PEO), *Report of Evaluation Study of Small Farmers, Marginal Farmers and Agricultural Labourers Projects—1974-75*, New Delhi, Government of India, 1978, pp. 1-26.

\*The SFDA-MFAL programmes were started in 1969-70, and Operation Flood was launched in 1970.



assistance for the purchase of milch cattle tended to gain priority. The SFDA/MFAL schemes synchronised with the National Dairy Development Board's programmes for expansion of dairy industry and development of the National Milk Grid (NMG). The NMG sought to bring the rural milk producers and urban consumers together. The national dairy programmes, launched by the NDDB, were given a dramatic code name as Operation Flood-I.

### *Operation Flood*

The estimated outlay of Operation Flood-I was Rs. 1,164 millions. The funds required for the project were made available through sale proceeds of dairy commodities, donated by the World Food Programme of the World Bank from the sale of butter oil donated by the European Economic Community. The Indian Dairy Corporation (IDC), a Government of India Undertaking, was set up at Baroda to advance funds for the various dairy projects. The IDC usually provided funds on a 70 per cent loan-cum-30 per cent subsidy basis.

The NDDB dairy schemes have four major objectives. Firstly, they aim at bringing about a white revolution by increasing production of milk through supply of technical inputs. Secondly, by developing an infrastructure for marketing, the NDDB links rural production centres with urban consumption centres through national milk grid. Thirdly, by motivating individual peasants and rural poor through additional incomes, it attempts to promote rural development. Fourthly, the NDDB and the IDC placed reliance on a cooperative organisation for each dairy. This cooperative organisation is to be owned by the milk producers/members themselves without any appreciable control by the state government. By enabling participation in benefits, the project seeks to improve the confidence of the target groups in the efficacy of the grassroot organisation. The objectives of grassroot cooperative organisation were first introduced at the Amul Dairy, Anand (Gujarat).

Progress made during the period of Operation Flood-I programme is striking: 18 major dairies were started in India in 10 states, covering 1.3 million farm families.<sup>3</sup> Within 10 years, income of the milk producers has doubled. The milk supply to metropolitan cities has increased from one million litres to 2.5 million litres.<sup>4</sup>

<sup>3</sup>In Andhra Pradesh alone, there are 79 dairy units, including 10 district dairies, 26 mini milk chilling centres, 19 cooling centres and 5 milk product factories. The installed capacity of the various dairy units is 1.6 million litres per day. Milk is being procured from 3.5 lakh producers through 3,980 collection centres, covering 5,840 villages. Everyday, about 200 milk trucks are deployed for transporting milk. See N. K. Suroya, *Dairy Development in Andhra Pradesh*, Hyderabad, Andhra Pradesh Dairy Development Cooperative Federation.

<sup>4</sup>*The Hindu*, January 5, 1983.



Encouraged by the results of the first phase, Operation Flood-II was conceived in an ambitious manner. For investment over a seven year period (1978-85), it provides an outlay of Rs. 4855 millions.\* The major objectives of the second phase include: (a) extension of the dairy cooperative structure to cover about ten million families of rural milk producers; (b) addition of 16 million cross-bred cows and buffaloes; (c) development of regional milk grids, with linkages to the national milk grid and major urban centres (148 cities and towns); (d) overall improvement of the processing capacity of the various dairies mainly through provision of additional plants; and (e) strengthening the infrastructure facilities concerned with milk production, marketing and management services.

### *Sangam Dairy*

The Sangam Dairy offers an illustration of one of the more successful dairies sponsored on the Anand pattern. It provides a model of rural development that has theoretical appeal besides attempting to optimise economic gains to the rural poor. The Sangam Dairy was first conceived during 1972-73 under the Operation Flood-I programme.† The IDC and the Government of Andhra Pradesh entered into a series of agreements. Under the terms of these agreements, the IDC advanced an amount of Rs. 10 crores and the state government provided Rs. 81 lakhs as its share. The financial assistance provided by the IDC was on a 70 per cent loan and 30 per cent grant basis. The milk producers of West Godavari, Krishna and Guntur Districts donated Rs. 1.5 lakhs to purchase about 35 acres of land before initiating the project. The dairy was located at Vadlamudi (16 km from Guntur town).‡

At the time of registration of Guntur District Milk Producers Cooperative Union (August, 1978), only 85 village dairy cooperative societies were affiliated to it. Today, the Sangam Dairy covers 650 villages (425 cooperative societies and 225 collection centres) out of 729 villages and 1,100 hamlets. About one lakh milk producers are actively associated with the supply of milk to the Sangam Dairy.

\*The IDC had agreed to provide Rs. 50 crores (30 per cent grant and 70 per cent loan) for dairy development in Andhra Pradesh covering about 16 of the 23 districts.

†An earlier experiment in setting up a milk cooling unit in the cooperative sector was made in 1960. The milk cooling unit functioned for a very short period. It had to be closed down as there were no proper transport facilities from the villages to the plant located in Guntur town. Financial irregularities and misutilisation of loans had also contributed to the closure of the unit. An integrated approach for the production and marketing of milk was adopted during 1970-71, when the State Government came forward to establish three milk chilling centres with an overall annual capacity, which provided the nucleus for the Sangam Dairy.

‡The foundation stone was laid on February 9, 1974 and the plant was inaugurated on August 30, 1977. The Dairy was handed over to the Guntur District Milk Producers Cooperative Union on August 1, 1978.



The capacity of the dairy, at present, is 2.25 lakh litres of milk per day. The quantum of milk collected by the dairy stands at two lakh litres per day, the highest for any dairy in South India and the third largest in the country.\* With the addition of one more plant (presently under construction) and the projected expansion, the dairy's capacity will go up to four lakh litres by 1985.† At present, the dairy produces 22 tonnes of milk powder, 24 tonnes of butter and 10 tonnes of ghee per day, besides selling about 40,000 litres of toned milk per day in the towns of Guntur district and transporting two lakh litres of milk per week to the city of Calcutta. The annual business turnover of the dairy is about Rs. 17.5 crores.‡

The quantity of milk collected through the primary societies and collection centres of the dairy had registered a fantastic increase over the year. Over a period of five years, between 1977-78 and 1982-83, the quantity of milk has increased nearly ten-folds.§

The dairy provides support programmes to the producers through its Artificial Insemination Service Centre, arranges free veterinary aid through nine mobile veterinary clinics and two emergency clinics, supplies feed produced at its Cattle Feed Plant; and sells fodder seed and grass slips at subsidised rates||. The dairy also arranges training programmes to the paid secretaries of the primary societies. It has a comprehensive educational programme, including screening of films on dairy development, animal care, quality feed production, and insurance of animals.¶ The dairy organises, under the Farmers' Induction Programme, educational tours for milk producers. Such tours include a trip to progressive farmers, one from each primary society, to Anand Dairy.

### *The Cooperative Organisation*

The cooperative organisation, covering the milk producers, is based on a three-tier network. At the bottom of the network is the Primary Society of Milk Producers, organised for each village or hamlet. Eligibility for membership is being determined by supply of milk for at least 90 days in the preceding 6 months, i.e., prior to registration. To be eligible

\*The first and second being Amul Dairy (Anand, Kaira District, Gujarat) and Dudhsagar (Mahasana, Gujarat); annual dairy production of Amul and Dudhsagar was about 8 lakh and 4 lakh litres of milk, respectively.

†One more district (Prakasam) has been added recently to the Guntur District Milk Producers Union. With this, 93 societies of milk producers have come under its purview.

‡The figure is for the year 1982-83.

§The annual collection of milk increased from 4.6 million to 44.5 million litres.

||Even the feed cost is in a way subsidised because 30 per cent of the cost of the plant (Rs. 80 lakhs) was subsidised by the IDC. Nearly an amount of Rs. 11 lakhs was spent for veterinary services during the year 1982-83 alone.

¶As per the package agreement between the Sangam Dairy and the United India Insurance Company, each farmer pays Rs. 12.50 for an animal worth Rs. 1,000. In normal course, the farmer would have to pay four times the amount as insurance premium.



for registration, the proposed society has to satisfy the criteria of economic viability and feasibility of transportation. Generally speaking, the Primary Societies of Milk Producers are organised in villages where private milk collection centres existed before, with an uninterrupted supply of at least 100 litres of milk per day on average. Each primary society would elect, for a term of three years, nine directors who, in their turn, elect the president. Each society appoints a paid secretary to maintain accounts, supervise milk collection, testing of milk procured and render other services. The bigger societies appoint testers to look after testing the fat content of milk.

At the middle of the three-tier network is the District Cooperative Union of Milk Producers. Presidents of all the Primary Societies are its members. The constitution of the Guntur District Milk Producers Cooperative Union provides for an executive committee of 12 directors, elected by the members and six nominees of the government. The chairman of the district union is elected by the board of directors. The tenure of the board is five years. The Sangam Dairy is being managed by a general manager (appointed by the state government) and three deputy general managers, one each for plant, production and finance. The dairy has a total strength of 750 employees and workers.

At the apex of the three-tier cooperative network is the Andhra Pradesh Dairy Development Cooperative Federation. It consists of all the cooperative institutions engaged in dairy development in the state. It functions as the chief policy-making body and marketing agency for the entire state.

#### *Dairying: Subsidiary Economic Activity*

In most villages of the district, dairying has emerged as an important subsidiary occupation, mostly due to the impetus given by the Sangam Dairy. It generates production of about Rs. 15 crores worth of milk in approximately about 40 per cent of the villages of the district. Besides, nearly a third of the villages of the district supply milk, through private vendors to the towns and cities, worth around Rs. 10 crores. Even if dairying contributes only a small segment of the resources and impetus for overall rural development, the progress registered by this sector in Guntur District is impressive. It contributes directly to rural savings and improved purchasing power. Improvements in animal care and productivity of milch animals are also striking and the gains extensive. The cooperative system of primary producers has also been based on a greater degree of economic equality, as indicated by the quantum of milk supplied daily by the milk producers. A random survey of suppliers shows that less than 11 per cent are landless, about 65 per cent have land below 5 acres; 22 per cent own land between 5 and 10 acres and the remainder (2 per cent) have land above 10 acres. Out of the total one lakh families associated with the Sangam Dairy as producers, the bulk earn less than Rs. 5 per day from the sale of milk; about



10 per cent make between Rs. 5 and Rs. 10, and four per cent earn above Rs. 10 per day.

Several factors seem to contribute to the effectiveness of the organisation of the primary societies and the district union. Nearly four-fifths of the societies are reported to be functioning very effectively.\* They are financially sound. Member satisfaction is high. More than 50 per cent of the households in the respective villages are members of Society of Milk Producers. Complaints of embezzlement of funds or other malpractices are unheard of. They distribute 65 per cent of the profits as bonus to the members and employees on a regular basis. These societies also undertake distribution of feed and free supply of veterinary medicines, arrange for artificial insemination of buffaloes and insurance of animals. Milk procured by the respective societies has been on an ascending scale over the past few years.† One-third of the societies have been able to put up pucca buildings of their own with money earned as profit from the milk business. A few societies have been able to build a veterinary centre and a library out of their profit margins. One striking feature of the more effective societies is their political structure. Though the Primary Societies of Milk Producers became more important centres of power than either the Panchayats or the Agricultural Cooperative Credit Societies, factionalism, a characteristic feature of the village communities, has been contained to a minimal level in the milk societies.‡ There appears to be a great deal of group solidarity among the members in seeing to it that overt political considerations are de-emphasised both in the selection of the executive members or in the day-to-day operations of the societies.<sup>5</sup>

### *Participation of Women*

The involvement of women in dairying is more widespread and next only to that of household activity. There are social norms in this area favouring participation of women of all socio-economic strata in agricultural

\*The performance of about 15 per cent of the primary societies is rated to be just above average. In their business, they break even. About, 5 per cent of the societies are considered to be in bad shape. About a dozen societies have become defunct or have been placed under the control of special officers due to either factionalism, business losses or misappropriation of funds. Societies under special officers are Dhulipala, Mallipadu, Kantheru, Pedakakani, Veeranayakunipalem and Karlapalem.

†The primary societies rated in the top category are Vallabhapuram, Gudibandivari-palem, Kollipara, Mulukudur, Yedlapalli, Valivelu, Chintalapudi, and Thumuluru.

‡A society with average business would make a daily profit of about Rs. 100 to 140.

<sup>5</sup>It may be noted that so far elections to the Board of Directors of the District Union have been largely unanimous. In September 1983 election, when the contest for four positions of Directors appeared to be keen, the official slate of nominees got elected by huge margins as the contestants of the opposing faction polled only about 17 per cent votes. The election of the Chairman of the District Union has always been unanimous. See *Indian Express*, October 1, 1983.



activities. Their participation in dairying is also being accepted culturally. The women take cattle for grazing, provide feed, clean cattle shed, milk buffaloes and deliver milk at milk collection centre of the village. Women also keep accounts of milk supply and collect money and utilise it generally for household consumption purposes. Sometimes, they accumulate surplus for capital formation. As an activity, dairying seems to offer a measure of economic independence to women in small and medium-size peasant families.

The widespread participation of women in dairying seems to structure the pattern of accountability of the Milk Producers' Primary Societies toward the beneficiaries. Since women take care of accounting, they seem to evince keen interest in the benefits which they derive from the society. Variation in the fat percentage tends to be a matter of discussion and controversy among the womenfolk as to why the fat percentage varies from day to day. It is not uncommon for them to insist that the testing be done for a second time. The womenfolk are also quick to react if the society defaults in observing the payment schedules. In such an event, a flurry of questions is raised and social controls are sought to be applied for making the executive and the paid secretary accountable to the clientele. Although the women become an effective target group of beneficiaries with a high degree of participation on the input side, it is much less pronounced on the output side. Seldom do they attend the general body meetings of the respective primary societies of milk producers. Women are not represented on the executive bodies of more than 95 per cent of the primary societies. There has been no women representative on the board of directors of the district union. The Primary Societies of Milk Producers' Cooperatives tend to become more important centres of power than that of the panchayats. This is for the simple reason that they have daily economic transactions, involving flow of money and profits. It is a paradox that while women utilise their labour resource abundantly and also exercise control over the income from the sale of milk, the political arena is left exclusively to the menfolk.

#### REASONS FOR EFFECTIVENESS OF SANGAM DAIRY

A major source of strength of the district union is the effective functioning of the bulk of the primary societies. As the primary societies tend to operate on sound business lines and with a sense of accountability to the milk producers, the district union is automatically made more effective by the strength of the grassroot organisation. Competitive politics, so characteristic of functioning of other institutions in the district, is contained to a great extent at the grassroot level, limiting its role in the functioning of the district union.

The top management of the district union is fortunate in having a team of officers, carefully chosen for their commitment, expertise and team spirit.





This has contributed to business efficiency in the organisation, increasing its business turnover and maintaining cordial relations with the employees down the line.\*

The Sangam Dairy is the only dairy unit in Andhra Pradesh with a high level of performance and adequate project margins when the state level federation and its units have been in economic-doldrums.<sup>6</sup> The federation's policies in regard to price fixation and marketing had an adverse effect on the Sangam Dairy also. An expert committee was appointed by the Government of Andhra Pradesh to study the problem and make appropriate recommendations. The committee noted that main reasons for losses in units managed by the AP Dairy Development Cooperative Federation (APDDCF) included heavy overhead charges, including overstaffing, maintenance of uneconomic units and unwarranted increase of procurement price.†

The expert committee therefore, suggested that the procurement price be brought down in the flush season.<sup>7</sup> The committee also felt that the operational costs of the Sangam Dairy are most reasonable relative to that of other dairy units managed by the APDDCF. One significant suggestion made by the committee was that the other dairy units in Andhra Pradesh should be organised on the Sangam model—the Anand pattern.

#### *State Federation's Negative Role*

The expert committee did not, however, go far enough. It did not attempt to decentralise marketing decisions to the level of the individual dairies. Problems in regard to marketing seem to emanate from centralised decision-making by the state level federation for all dairy units within the state. Under the terms of agreement between the state government and individual dairy units, the latter are prohibited from marketing their products beyond the respective districts. In other words, the federation has

\*Overstaffing, an endemic feature of most of the other district units in Andhra Pradesh, has been virtually non-existent in the Sangam Dairy. Hitherto, the salaries and perquisites of the employees are kept at a reasonable level. The Sangam Dairy incurred 0.95 paise only during 1982-83 as against Rs. 1.84 on overheads per litre of milk handled by the APDDCF. Of late, the trade unions of the dairy have been able to bargain for extra benefits, increasing the financial commitment of the district union.

<sup>6</sup>Accumulated losses to the Federation since 1974-75 were of the order of Rs. 8.5 crores, and in 1982-83 alone the loss amounted to Rs. 7.5 crores. See *The Tribune*, Chandigarh, February 8, 1983.

†The procurement price of milk, with 10 per cent fat content, was fixed at Rs. 4 per litre for all seasons. In the case of the Amul Dairy, there is variation in the procurement price depending upon the season.

<sup>7</sup>See, *The Hindu*, September 5, 1983. The IDC made the same suggestion earlier. Long before the announcement of the expert committee's recommendations, the general body of the Guntur District Milk Producers Union approved a reduction in the procurement price of milk.



a monopoly over decisions on marketing and prices of the dairy products, like butter, ghee, milk powder, etc. The record of the federation in marketing the dairy products has, however, not been praiseworthy. The federation has been unable to instil a sense of confidence in the managements of the dairy units about its managerial capabilities in the area of marketing. Further, the federation is also being accused of showing preference in selling stocks of its own units while allowing stocks to pile up in independent dairies like Sangam. In regard to price fixation, the federation is being criticised for taking a populist rather than a professional perspective. As the Sangam Dairy is linked to the federation in many of the crucial areas, its operational efficiency cannot be considered in isolation from the policies and perspectives of the APDDCF.

#### OPERATION FLOOD: AN ANALYSIS OF ISSUES

From the standpoint of development administration, the Anand pattern of cooperative organisation, linking the producers and consumers through technologically sophisticated processing units and a marketing network, represents a major institutional innovation. It has caught the imagination of planners throughout the world and similar programmes have been initiated in Pakistan, Sri Lanka, Philippines, Bangladesh, Burma, Indonesia, Uganda, UAE, Tanzania, and Zimbabwe.<sup>8</sup> China sought the help of the NDDB of India in developing a modern dairy industry.<sup>9</sup>

Both Operation Flood as well as the Anand pattern have been criticised on a number of grounds. Operation Flood is viewed by some leftist critics as a "classic example of the commercialisation of a primarily development programme".<sup>10</sup> Rao Birendra Singh, Union Minister for Food and Agriculture, observed that the only achievement of Operation Flood was "to make available cheap milk to urban consumers at the cost of rural milk producers".<sup>11</sup> Daryl D. Monte, a researcher, based on his study of a milk cooperative society in Gujarat, came to the conclusion that the small farmers and agricultural labourers have not benefited from Operation Flood.<sup>12</sup>

Such criticism does not seem to stand a careful scrutiny if one takes an overview of the impact of the schemes initiated by Operation Flood. Contrary to the contention of the critics, the UN Inter-Agencies Mission, which conducted a terminal review of Operation Flood-I, claims that by offering an increased price for milk, Operation Flood has, in many areas, forced up the price paid by the private traders, thereby extending benefits

<sup>8</sup>*The Free Press Journal*, Bombay, June 7, 1983.

<sup>9</sup>*Financial Express*, Bombay, April 9, 1983.

<sup>10</sup>See, Research Team, *Operation Flood: Development or Dependence*, Centre for Education and Documentation, Bombay, Cite Publication, 1982.

<sup>11</sup>*The Hindu*, April 28, 1981.

<sup>12</sup>*Indian Express*, February 24, 1981.



even to those milk producers who are not members of the cooperative societies. Their assessment is that small farmers and marginal farmers, and agricultural labourers have benefited from Operation Flood more than the better-off farmers. Although per capita milk consumption has gone down slightly among the children of milk producers, the calory and protein intakes of the owners of milch cattle are higher than the coorresponding intakes of non-owners.

The field data available from Andhra Pradesh indicate that the primary societies of milk producers are basically an organisation of poor and middle peasants. These cooperatives have sustained themselves in the face of stiff competition from private vendors and their nefarious commercial practices. Nearly three-fourths of the 3.5 lakh milk producers, covered by the various dairy units in Andhra Pradesh, are small and marginal farmers and agricultural labourers.<sup>13</sup> For the Guntur District Milk Producers Union, the proportion of this target group is higher by about two per cent. The overall contribution of the dairy industry to the promotion of the goals of integrated rural development, especially upliftment of the lower strata of rural society is, therefore, untenable.

The Anand type organisation could be extended to other areas for bringing the farmers under a cooperative set-up. The farmers themselves should be able to set up the processing units on modern lines for cotton, oil-seeds and other commercial crops. In fact, in Gujarat the vegetable oils complex has already been developed on these lines. However, the Anand type of organisation could flourish only when the concerned state governments accept certain conditions—that farmers cooperatives and the state level federation would own the processing units and the state government guarantees that it would desist from the temptation of foisting its representatives to control the cooperative units.<sup>14</sup> □

<sup>13</sup>See, Suroya, *op. cit.*

<sup>14</sup>See the statement by Dr. V. Kurien, Chairman, National Dairy Development Board, *The Indian Express*, March 13, 1983.

## Administrative Hurdles to Poverty Eradication: Nepal's Experiences with Integrated Rural Development Projects\*

Madhab Prasad Poudyal

*For every dollar spent on the war on poverty today, only 10 cents ever directly reaches the poor.*

—MILTON FRIEDMAN

NEPAL, A SOVEREIGN independent Hindu Kingdom, situated on the southern slopes of mid-Himalayas, has an area of 147,181 sq. km. Major part of the country consists of high mountains and rolling hills and flat lands of Tarai comprises only 17 per cent of the total area. While the country can be divided into three major geographic regions—Himalayan, Mountain and Tarai, it is administratively, divided into 14 zones and 75 districts, and for paying proper attention to the needs of regional planning, it is vertically divided into five developmental regions.<sup>1</sup>

Over 16 million people reside in the country; only 6.4 per cent live in the urban area and the rest in the villages.<sup>2</sup> About 93 per cent people derive their livelihood from agriculture and allied activities. The country is one of the poorest in the world and over 41 per cent of her population live below the poverty line.<sup>3</sup> Though the country does not have any specific programmes for 'poverty eradication', it is obvious that all the developmental efforts are aimed at eradicating poverty and upgrading the standard of living of her populace.

Freeing herself from the clutches of rule of the Rana family in 1951, though the country is about to complete six developmental plans, yet it is a country of poverty-ridden people having a per capita income of \$ 115 according to 1975 figures. However, relative success of the first integrated

\*The article is based on author's unpublished paper which was read during the 9th Annual Conference of Indian Public Administration Association at the Sambalpur University, Orissa, held in April, 1984.

<sup>1</sup>National Planning Commission, *Statistical Pocket Book of Nepal*, 1982, Kathmandu, Central Bureau of Statistics, 1982, pp. 1-10.

<sup>2</sup>His Majesty's Government, *Nepal at a Glance*, Kathmandu, Department of Information, 1983, p.3.

<sup>3</sup>Y.P. Pant and S.C. Jain, *Rural Problems and Rural Development in Nepal: A Search for New Strategy*, Delhi, Development Publishers, 1980, p. 38.



approach to rural development project in providing some minimum need facilities at the districts of Rasuwa and Nuwakot in the recent past attracted the thinking of Nepalese planners. Eventually the Integrated Rural Development Programme (IRDP) was incorporated in the policy statements of the *Sixth Five Year Plan*. It has also attracted attention of foreign aid donors (governmental as well as international agencies); at present, seven IRD projects, at the cost of Rs. 1,504,317,600 are under execution throughout the country and one more is about to start. A large proportion of expenditure (Rs. 1,254,903,000 or about 80 per cent) is shouldered by international agencies and foreign governments (namely, USA, Canada, Switzerland, and United Kingdom) in the form of grant and loan assistance and Government of Nepal is adding thereto only Rs. 249,414,600 (about 20 per cent).

#### HISTORICAL BACKGROUND OF RURAL DEVELOPMENT

The new government, for the first time, made an effort to introduce a rural development programme throughout the country in 1952 by launching the Tribhuvan Village Development Programme with assistance from the US Government.<sup>4</sup> The first five year plan (1956-1961) aggregated all the rural-life related programme in its village development scheme.<sup>5</sup> But after the introduction of Panchayat Polity in 1961, different rural development programmes were conducted by different ministries and departments in their own style without any coordination. The 1974 New District Administration Plan once again realised the importance of a coordinated district development programme and all the developmental programmes within the district were brought under the general supervision of Chief District Officer. In 1975, His Majesty's Government and the Government of Switzerland signed an agreement for the first phase of Integrated Hill Development Project at Giri. However, pioneer IRD Projects in Nepal were started at Rasuwa and Nuwakot districts in 1976 with a loan from International Development Agency (IDA) of the World Bank. In the same year, the government also developed an Integrated Panchayat Development Design. By 1980, the *Sixth Five Year Plan* incorporated the IRD programme within its policy framework. The objectives of the IRD policy as laid down by the plan are:<sup>6</sup>

1. To increase the purchasing power of the farmers and improve their

<sup>4</sup>Dwarika Nath Dhungel, "Rural Development Programme in Nepal: A Historical Perspective", *Panchayat Darpan* (Coronation Issue), Vol. 5, No. 15, Kathmandu, February 1975, pp. 72-73.

<sup>5</sup>His Majesty's Government, *The First Five Year Plan: 1956-1961*, Kathmandu, 1956, pp. 19-21 (cited by Dhungel, *op. cit.*).

<sup>6</sup>His Majesty's Government, *Chhaitaun Yojana 2037-2042 Bhag Ek* (Sixth Plan 1980-85 Part One), Kathmandu, National Planning Commission, 1980, pp. 215-6.



living conditions by bringing changes in the rural socio-economic structures.

2. To develop an efficient leadership by involving maximum number of farmers in the process of decision-making which concerns directly their own situation.
3. To utilise the unused man-power by providing maximum opportunity for employment and mobilise the local resources through people's participation.
4. To integrate and coordinate different aspects of rural development programme.
5. To eradicate the existing rural poverty by increasing agricultural production through integrated approach to different programmes.

To achieve the above mentioned poverty related objectives, the plan gave priority to the following:<sup>7</sup>

1. Fulfilment of minimum needs such as: (a) minimum education facility; (b) minimum health facility; and (c) minimum potable water facility.
2. Increase in production and employment.

#### IRD PROJECTS UNDER IMPLEMENTATION

At present, there are seven IRD projects launched within the country and a feasibility survey of another one has also been completed. A brief introduction of the projects under implementation are given below under separate heads.

##### *Rasuwa-Nuwakot IRD Project*

This project was started from the fiscal year 1976-77 which covered an area of 249,020 hectares in Rasuwa and Nuwakot districts. Altogether 29,000 families were to be benefited from this project. The major programmes included by the project are agricultural extension, livestock development, hill terraces and river valley irrigation, improvement in agricultural inputs, control of soil erosion, development of health centre and water supply system, and improvement in transportation and cottage industry.<sup>8</sup> This project also has a target to provide employment for 30,000 people of the area.

<sup>7</sup>His Majesty's Government, *Chhaitaun Yojana 2037-2042 Bhag Ek, op. cit.*, p. 216-17.

<sup>8</sup>Y.N. Ojha and S.P. Adhikari, *Integrated Rural Development in Nepal: An Experience in Participatory Planning and Development Administration*, Kathmandu, Sahayogi Press, 1982, p. 74.



The total cost of the project is Rs. 135,985,000. The source of expenditure is a loan assistance covering Rs. 106,250,000 (78.13 per cent) and HMG of Nepal is to provide a sum of Rs. 29,735,000 (21.86 per cent).<sup>9</sup> Achievements and the experiences of this project have been a source of inspiration to others and also a matter of show-piece for the government.

#### *Sagarmatha IRD Project*

This project has been started from the fiscal year 1978-79. It covers an area of 477,800 hectares in the Siraha, Saptari and Udayapur districts of Sagarmatha zone. Programmes included in the project are—development of transport and irrigation infrastructures, agriculture development, development of cottage and rural industries, soil and water conservation, forestry, social services and establishment of a multipurpose training centre.<sup>10</sup> People to be benefited from the project are 847,000. The total cost of this project is Rs. 450,120,000 of which HMG will provide only Rs. 78,045,000 (17.33 per cent) and the remaining to be borne by different agencies as follows:<sup>11</sup> (1) Asian Development Bank loan assistance: Rs. 169,400,000 (37.63 per cent); (2) International Fund for Agriculture Development loan: Rs. 157,300,000 (34.94 per cent); (3) European Economic Community grant: Rs. 45,375,000 (10.08 per cent).

In the initial phase, pace of the project was comparatively slow. The main reason behind this was “the concentration of different line agencies, involved in the project in primary work of the office establishment, manpower recruitments, etc.”<sup>12</sup>

#### *Koshi Hill Area Rural Development Programme (KHARDEP)*

This project, started in the fiscal year 1979-80, has a term of five years with a grant from British Government (covering Rs. 110,068,000). The project covers an area of 6,375 sq. km. in four districts (Dhankuta, Tehrathum, Sankhuwasabha and Bhojpur) of Koshi zone. Altogether 554,104 people are expected to get benefit from this project. The components included in the programme are agriculture, irrigation, forestry, soil and water conservation, credit and cooperatives, agriculture inputs, storage and marketing, cottage industry, communication, power and potable water supplies, health and education.<sup>13</sup>

<sup>9</sup>The budgetary figures used in this article are based on the official data used in D.N. Dhungel's “Ekikrit Gramin Vikas Pariyojanako Karyanwayanma Dekhapareka Kehi Samashyahahu”, *Prashasan: The Nepalese Journal of Public Administration*, Vol. 15, No. 2, Kathmandu, Ministry of General Administration, 1984, p. 88.

<sup>10</sup>Ojha and Adhikari, *op. cit.*, pp. 76-78.

<sup>11</sup>Dhungel, *op. cit.*, p. 88.

<sup>12</sup>Dhruba Pant, “Integrated Rural Development Projects in Nepal: An Appraisal”, *Prashasan: The Nepalese Journal of Public Administration*, Vol. 13, No. 1, 1981, p. 27.

<sup>13</sup>Ojha and Adhikari, *op. cit.*, pp. 79-80, and Pant, *op. cit.*, pp. 28-29.



### *Mahakali Hills IRD Project*

This was started in the fiscal year 1978-79 and it covers an area of 530,500 hectares in three districts—Baitadi, Dadeldhura and Darchula—of Mahakali zone. The beneficiaries expected from the project are numbered 330,000. Total cost of this undertaking is 161,400,000 which is borne by different agencies as follows:<sup>14</sup> (1) IDA loan assistance: Rs. 132,000,000 (81.78 per cent); (2) UNDP Technical Assistance: Rs. 13,080,000 (8.10 per cent); and (3) By HMG: Rs. 16,300,000 (10.09 per cent).

The programme incorporated agriculture, education, infrastructure, cottage industry, communication, drinking water, health, anti-erosion measures, livestock development, etc.<sup>15</sup>

### *Karnali-Bheri IRD Project (K-BIRD)*

This project started in the fiscal year 1980-81 and covers an area of 6,553 sq. km. in the three districts—Surkhet, Dailekh and Jumla of Bheri and Karnali zones. Altogether, it aims to provide benefit to 384,405 people.<sup>16</sup> Financial arrangements for the project are: (1) Government of Canada grant assistance: Rs. 123,000,000 (78.84 per cent); (2) HMG expenditure: Rs. 33,000,000 (21.15 per cent).

### *Rapti Area IRD Project*

This project was started in the fiscal year 1980-81 with a grant assistance from the United States of America. It covers an area of 10-13 sq.km. in each of the districts of Rapti zone, i.e., Dang, Salyan, Pyuthan, Rukum and Rolpa. A total of 850,000 people are expected to be its beneficiaries. Its budgetary arrangements are as follows:<sup>17</sup> (1) US/AID grant: Rs. 317,730,000 (79.28 per cent); (2) HMG: Rs. 82,990,000 (20.71 per cent).

The major programme components of the project are improvement in farming system, renewable resource management, employment and skill development, rural works and institutional development.<sup>18</sup>

### *Integrated Hill Development Project*

This project has been launched with a grant assistance from Swiss Government. It is a three-phase project, first of which has already been completed in 1980. The second has already been started from the fiscal year 1980-81 and has covered an area of 2,200 sq. km. of Dolkha and Sindhu-palchowk districts of Janakpur and Bagmati zones, respectively. Financial arrangements for the project execution are given below:<sup>19</sup> (1) SATA's grant

<sup>14</sup>Dhungel, *op. cit.*, p. 88.

<sup>15</sup>Ojha and Adhikari, *op. cit.*, pp. 80-81.

<sup>16</sup>Pant, *op. cit.*, p. 28.

<sup>17</sup>*Ibid.*

<sup>18</sup>Ojha and Adhikari, *op. cit.*, p. 83.

<sup>19</sup>Dhungel, *op. cit.*, p. 88.





assistance: Rs. 77,700,000 (89.28 per cent); (2) HMG's expenditure: Rs. 9,324,000 (10.71 per cent).

This project is relatively different from other integrated rural development projects because "the project activities are launched under one umbrella and project manager is fully responsible for the planning and implementation of different activities in the project area".<sup>20</sup>

#### *Dhading IRD Project*

Feasibility study of this project has already been completed. Preliminary work also has been started with loan assistance. Details about the programme and financial arrangements have not yet come out formally.

### ORGANISATIONAL ARRANGEMENTS FOR IRDP IMPLEMENTATION

As stated earlier, prior to 1980, rural development activities were carried out by different ministries and departments in their own style. There was completely an absence of coordination for there was no ministry created for the purpose. Therefore, Ministry of Home and Panchayat, Ministry of Agriculture and several other Departments—like Road, Rehabilitation, Company, etc.—belonging to different ministries, used to handle the rural development activities. Thus, duplication of work and lack of coordination was natural. With the creation of a separate ministry called Panchayat and Local Development Ministry in 1980, rural development activities in Nepal were brought under a single umbrella. So far as the implementation aspect of IRDPs are concerned, following are the organisational arrangements within the country.<sup>21</sup>

#### CENTRAL LEVEL

##### *Local Development Committee of the Cabinet*

This is a high-level committee for local development which is presided over by Prime Minister and all cabinet level ministers, related to the IRD projects' activities, are represented on it. The committee meets twice a year. The Chief Secretary of the government is the Secretary of the committee.

##### *Local Development Central Coordination Committee*

This committee is presided over by the Minister of Panchayat and Local

<sup>20</sup>Pant, *op. cit.*, p. 29.

<sup>21</sup>For details, see Govind Ram Agrawal, *Organizational Arrangements for Integrated Rural Development in Nepal*, Centre for Economic Development and Administration, Kathmandu, Tribhuvan University, 1982.



Development. Its function is to review and coordinate different ministerial activities. All the ministers and secretaries of HMG linked with the projects are members of this committee. Secretary of the Ministry of Panchayat and Local Development is the member-secretary of the committee and it meets quarterly.

#### *Local Development Central Execution Committee*

This committee is chaired by the Secretary of the Ministry of Panchayat and Local Development and meets every three months. Its function is to look after the implementation aspects of the project and to solve the problems that emerge during execution of the project through inter-departmental coordination. All the departmental heads, Director-Generals and Divisional Chiefs of the related organisations, are members of the committee.

#### BELOW THE CENTRAL LEVEL

#### *Integrated Rural Development Project Committee*

This committee is at the project level and it is presided by the Zonal Commissioner. The Project Coordinator is the Vice-Chairman. Planning Officer of the Project Coordinator's Office is the member-secretary of the committee. The other members include the Chief District Officer, District Panchayat Chairman, Local Development Officers of the districts and the section chiefs of the project coordinator's office. Its main functions are to formulate annual plans and supervise the projects under implementation.

#### *High Level District Supervisory Committee*

Besides the IRD Project Committee, there is also a provision for a high level supervisory committee under the chairmanship of senior most member of the National Panchayat (the national legislature) from the district. Members of the National Panchayat, Chairman and Vice-Chairman of the district Panchayat, Chief District Officer and Local Development Officer of the district are the members of the committee. They are supposed to visit different villages, supervise the projects under execution, and solve problems, if any.

#### *Service Centres*

Throughout the project area, the service centres are located at a substantial distance in a central point of three to four villages depending upon their size and population. These centres extend their services to the villagers. There is a supervisor in all service centres, who coordinates all the sectoral units of the centre.

Among these organisational arrangements, the IRD Project Committees and the service centres are the actual organisations which have to combat



all the problems. The remaining are mere formal bodies which do not directly contribute much in the process of achieving desired goals.

After all, the Village Panchayats are the primary politico-administrative units for local-level planning. They are responsible for implementing plan and maintaining the developmental projects. All the grassroot level plans, though filtered by the higher echelons, are supposed to be initiated from this level and also to be implemented by them. The multipurpose development worker (Village Panchayat Secretary) is the only permanent staff supported by the government. The services of other middle level technical manpower can be obtained through the service centres.

Different coordination committees mentioned above have nothing to do with the actual performance. A study team on one of the pilot projects in early 1982 realised that "a preponderance of committees at the central level is of no consequence as at the most these intermediary committees simply pass the buck".<sup>22</sup>

#### PROBLEMS OF IMPLEMENTATION

Executing agencies of IRD projects in Nepal are facing a number of anticipated and unanticipated problems. Some of them are caused by the administrative factors and some are the consequences of the pattern of polity that Nepal has followed. For the identification of the problems faced by the programme at present, due regard to insider's experiences rather than the other sources will give proper justice to the programme itself. Therefore, problems discussed in this article are largely collected from the experiences of the people involved directly in the execution of IRD projects at the field levels<sup>23</sup> and some of the earlier evaluation study reports.

In the opinion of Dhruba Pant, the IRD projects in Nepal are struggling with the problems of coordination, ineffective handling of the projects by the political sectors (the Panchas), problems of people's participation and the line agencies' negative attitude towards the IRD programmes.<sup>24</sup>

Dhungel broadly categorises these problems into two types: Policy concerned, and operational ones.<sup>25</sup>

<sup>22</sup>Prachanda Pradhan, *Report on Rasuwa-Nuwakot Rural Development Project Evaluation Study*, Kathmandu, Development Research and Communication Group (DRCG), 1982, pp. 273-74.

<sup>23</sup>This part is largely based on the experiences of Dr. Dwarika Nath Dhungel, gained during the execution of Rasuwa-Nuwakot IRD Project as a coordinator. These are reflected in his recent writing on "Ekikrit Gramin Vikas Pariyojanako Karyanwayanma...", *op. cit.*, pp. 25-37, and also with the experience of Dhruba Pant, an officer associated with the Ministry of Panchayat and Local Development, *op. cit.*, pp. 32-34.

<sup>24</sup>Pant, *op. cit.*, pp. 32-4.

<sup>25</sup>Dhungel, *op. cit.*, pp. 80-6.



### *Policy Concerned Problems*

There is no uniformity in the programmes among the different projects. All of them are not executed exactly in accordance with the principles and priorities laid down by the *Sixth Five Year Plan*. Some of the programmes are included in all projects and some are lacking. In some cases, programme appraisal has not been prepared and the programmes to be undertaken are chalked out according to the allocated annual budget.

There is lack of coordination in annual programme formulation and its implementation as well as approval procedures.

There is no uniformity in the nature of duties and responsibilities among the same administrative organisation, i.e., Project Coordinator's offices. For, some of the offices are entrusted with total responsibilities, some are directly involved in the execution and some play merely a middle agency role. Similarly, role of the foreign advisors involved in the projects also differs from one another. Moreover, the coordinator's office has been ineffective due to the frequent changes of the coordinators and is ineffective in allocating resources and implementing projects.<sup>26</sup>

There are also differences in the proportion of people's participation in the projects. Some of them are executed without any contribution from the people and in some cases, they have to contribute 25 to 50 per cent of the total project cost. This has generated a feeling of apathy among the people causing ample chances for misappropriation of funds.

Also, timely completion of the projects and maintenance of the completed ones are hindered by the procedural defects at all policy levels.

### *Operational Problems*

The first operational problem is caused by the type of attitude existing at all levels of executive agencies. Since the agencies have their regular and the IRD programmes at the same time, they give priority to their own regular ones and the IRD programmes are regarded as additional burden. In case of failures, there is a general tendency among the executing agencies and the project coordinator's office to pass the buck to others.

Because of lack of necessary authority, coordinator's offices are ineffective and cannot help in realising the goals.

Project level offices are suffering from an acute problem of personnel. This is caused by frequent transfers of the people and cumbersome procedures to get the posts created as well as by the difficulty to provide even the granted incentives and allowances to the project level personnel.

At the implementation level, the IRD projects are facing financial problems too. This is caused by lack of timely availability of funds, cumbersome procedures and the line agencies' hesitation in adjusting expenses.

<sup>26</sup>Prachanda Pradhan, *Rasuwa-Nuwakot Evaluation Study Interim Report No. 3*, Kathmandu, Development Research and Communication Group, 1982, p. 113.



A recent study on one of the projects revealed that expenditure capability of the enterprise has not noticeably changed. "Only 50 per cent of the allocated budget could be spent."<sup>27</sup> The budget analysis further indicated that allocation of major share of the budget has been used for administrative and maintenance and less resources used for programme aspects".<sup>28</sup>

#### CONCLUDING OBSERVATION

Though the Sixth Five Year Plan of Nepal aimed at eradicating poverty through an integrated approach to rural development no specific programme addressing the poor people of the project area has been implemented till now. The programmes are scattered in so many sectors that it has been very "difficult to attack the main problem of poverty in the project area".<sup>29</sup> These problems are not peculiar in a 'soft state' like Nepal where the "policies decided are not often enforced"<sup>30</sup> and where there is always "the dichotomy between ideals and reality, and even between enacted legislation and implementation".<sup>31</sup> This is a product of the political process and the administrative set-up of Nepal, which is suffering from all kinds of bureau-pathologies—such as the pathology of persistence, conservatism, growth, status, self-service, buck-passing, delay, corruption, nepotism, and favouritism.<sup>32</sup> Moreover, the type of administration in Nepal is neither bureaucratic in Weberian sense nor totally a feudal one manned by family oligarchy alone. It is rather a feudocratic one where the hierarchy of formal authority is strongly influenced by the informal authority. Selective development is desired without any significant change in authority and power of the establishment. Though the status is based on technical competence, in a number of cases, it is superseded by the selective favours based on 'source and force'. Tenure of service is uncertain due to occasional screenings. The overall system is characterised by a system of discretion-oriented rules and procedures. Formal loyalty, in the system, is to the hierarchy but informal loyalty is to the persons occupying positions of power. Moreover, the administration of the country is based on 'centralised decentralisation' in which formal delegation is merely a theoretical one. And the total system has

<sup>27</sup>Prachanda Pradhan, *K-BIRD Evaluation Document No. 3: Institution Building Activities*, Kathmandu, 1984, p. 89.

<sup>28</sup>*Ibid.*

<sup>29</sup>*Ibid.*, p. 90.

<sup>30</sup>Gunnar Myrdal, *Asian Drama: An Inquiry into the Poverty of Nations*, London, The Penguin Press, 1968, Vol. 1, p. 66.

<sup>31</sup>*Ibid.*, p. 277.

<sup>32</sup>Madhab Prasad Poudyal, "Bureau-pathology in Nepal", *Public Administration Journal*, Vol. IV, No. 1, Kathmandu, PAC Tribhuvan University, May 1981, pp. 24-37.



produced a distorted authority-responsibility relationship.<sup>33</sup> Beside the existence of frustration among the civil servants procedural, political and corrupt environmental barriers existing within the country are also equally responsible for the present state of affairs.<sup>34</sup> The Feudocratic elites in Nepal "do not seem to be animated by values favourable to the process of change and innovation that are essential for the attainment of desired developmental objectives of the country".<sup>35</sup>

It is also obvious that the IRD plan has overlooked the administrative elements and just created the nonsense committees; for, there is no adequate provision for administrative development. It has just outlined economic and social targets but has not contained any guidance on the problems concerning the administrative machinery necessary to carry them out. Thus, naturally, the imbalance called 'administrative gap' or 'implementation gap'<sup>36</sup> is bound to be there. If the plan fails to achieve the desired goals, visualising its noble objectives and the amount of money aggregated through different grants and bilateral and international loans, lay-man can just make an offhand comment that the plan was good, but implementation was bad. But the fact is that "a plan cannot be good if it cannot be implemented or if it does not contain a plan for developing administrative capability essential for its implementation".<sup>37</sup> After all, it is the administrative machinery which has to undertake the responsibility for implementation. If the fact fails to get proper consideration, the IRD goals will not be achieved as expected and the donor agencies also will be helpless with the Nepalese state of affairs. Ultimately, policy makers and the persons in the positions (as well as in the periphery) of power will have to accept the title of 'native industrialist' of today's 'poverty industries'<sup>38</sup> developing rapidly throughout the world.

□

<sup>33</sup>For further information about the feudocratic model see Govind Ram Agrawal, "Project Management Model for Effective Management Development", Govind Ram Agrawal (ed.), *Emerging Concepts in Nepalese Management*, Kathmandu, Centre for Economic Development and Administration, 1982, and Agrawal, *op. cit.*, pp. 6-9.

<sup>34</sup>Madhab Prasad Poudyal, *Public Administration and Nation-building in Nepal*, Delhi, NBO Publishers, 1984, pp. 95-97.

<sup>35</sup>Agrawal, "Project Management Model for Effective Management Development", *op. cit.*, p. 434.

<sup>36</sup>Department of Economic and Social Affairs, *Development Administration; Current Approaches and Trends in Administration for National Development*, New York, United Nations, Sales No. ST/ESA/SER, E/3, 1975, p. 63.

<sup>37</sup>*Ibid.*

<sup>38</sup>The term, "poverty industry" was used by the famous economist Milton Friedman. He is of the opinion that "much of the money spent on such programmes (poverty eradication) never trickles down to the poor. It is diverted on its way into the pockets of the well-paid civil servants who administer the programmes, the well-paid consultants who study the programmes and the private enterprises that take advantage of them. This poverty industry, not the poor, has lobbied most effectively on behalf of these programmes". Milton Friedman, "Newsweek on Poverty", *Newsweek*, April 19, 1982, p. 4.

## **IRDP in Rajasthan—A Bonanza or a Challenge for the Banks?**

**Bhupendra Hooja**

**A**T LEAST in terms of coverage, the Integrated Rural Development Programme (IRDP) has meant a big bonanza for the banking sector in Rajasthan, including both commercial and cooperative institutions. The main emphasis of the programme, though it is called 'integrated' seems to have been on providing loan assistance, with a little bit of technical guidance and government subsidy, to deserving families "below the poverty line". Thus, over a span of about six years from 1978-79, nearly six lakh families have been identified and provided with benefits.

Certain economic activities in farming, dairying, transport, trade, business and service sectors, largely based on individual efforts and enterprise, have been identified in the rural areas for which, according to certain pre-determined or mutually agreed limits or basis of understanding and calculations of viability, commercial loans are provided by the banks with subsidies by the government, in the hope or expectation that within a year or so, each and every benefited family will be able to find its own feet and begin to earn a reasonable amount in the changing rural society.

### *Antyodaya and IRD Programmes*

This new approach for providing assistance to 'special target groups' amongst the weaker and poorer sections of society, flowed from the forerunners of the IRDP programmes for small and marginal farmers initiated in 1971. For these programmes, Small Farmers Development Agency (SFDA) and the Marginal Farmers and Agriculture Labourers (MFAL) organisations were created at the district level to channelise credit and other facilities, including technical guidance or inputs, to properly identified small and marginal farmers or agriculture labourers. These special agencies (SFDA and MFAL) served as agents of change and contact points between the target groups and the credit agencies as well as the state authorities. When emphasis shifted towards a more 'populist' approach for eradication of poverty, it was realised that there were other weaker sections of society besides small or marginal farmers or agricultural labourers, waiting on the side-lines, who also deserve to be brought within the fold of such benefits, even through 'non-farming' activities. Thus, under the broad and a widespread umbrella of an 'integrated' rural development



programme, it was sought to cover more and more sections of the rural unemployed or under-employed persons and other poorer or weaker sections of society, particularly those who had no land-holdings worth the name and who, mainly or largely, depended upon their own personal or professional skills, or were otherwise connected with rural arts and crafts or cottage industries.

In Rajasthan, and later on in some other states, this programme was launched under the popular slogan of *Antyodaya* which literally means "the uplift of the last person" in the society. Its approach and the strategy was to identify at least five poorest families in each and every village (Rajasthan has more than 30,000 villages in all) and help them select suitable local activities for augmenting their incomes through programmes or approved schemes on the lines of the SFDA, MFAL, etc. Such selected families were also helped with other kinds of assistance such as allotment of available government lands, sanction and disbursal of oldage pensions, employment in the government sector, allotment of small mining or quarrying leases, etc.

#### *Coverage*

For implementing the *Antyodaya* programme throughout the state and in the areas where no SFDA, MFAL or DPAP type of agency was available, suitable 'agencies' on similar lines were established. At the same time, the structure of the Panchayati Raj institutions particularly, the Gram Sabhas and village panchayats were activated and associated with the official agencies or authorities of the state, mainly for identifying suitable deserving candidates for bank assistance and government subsidies. These institutions were also involved to ensure that assistance reached the door-steps of the deserving families with the least delay and without the usual bureaucratic hassels. During the two and a half years of the Janata rule, much ground was covered. Many procedures and attendant problems of all supporting institutions were sorted out, so that the programme could be given a definite direction and a measure of continuity.

Subsequently, this *Antyodaya* approach became a starting point or 'legacy' for the on-going and continued programme of IRDP in its integrated concept.

Beginning with 7,586 beneficiaries, who received loans totalling Rs. 1.75 crore and subsidies of Rs. 73 lakh in 1978-79, the programme grew by leaps and bounds and in 1980-81, it covered 82,684 families with Rs. 20.93 crore mobilised as loans and Rs. 11.15 crore as subsidies. A still higher range of coverage has been achieved and maintained during the last three years, with 1.22 lakh, 1.83 lakh and 1.51 lakh families getting Rs. 23.41 crore, Rs. 31.42 crore and Rs. 28.94 crore respectively by way of loans, and subsidies amounting to Rs. 15.95 crore, Rs. 22.13 crore and Rs. 20.21 crore respectively.

The programme revolves round local-level economic activities, such as agriculture, minor irrigation through wells, etc., animal husbandry and





dairying which have great scope in the context of Rajasthan, local transport, rural arts or crafts and multifarious services in the trading or business sector. The approach has also remained the same, viz., of identifying families below the poverty line such as small or marginal farmers, agriculture or non-agriculture labourers, rural artisans or craftsmen, Scheduled Castes or Scheduled Tribes; and to support them with bank credit up to some approved limits, appropriate government subsidies and (occasionally) a measure of technical guidance or essential training, if need be, to help them improve their skills or management faculties for various types of enterprises they may choose to start.

About 3,000 families are proposed to be covered in five-year period in every Panchayat Samiti or block. They are helped to acquire suitable or necessary economic and productive assets, such as bullock-or camel-carts, units of sheep, goats or other milch cattle (20 sheep or 10 goats or one or two cows or buffaloes), pump-sets, etc. They are enabled to establish tea-shops or shops of general merchandise or to acquire necessary tools and equipment for leather work, handlooms and a variety of such traditional occupations.

This programme goes hand in hand with the programme of training of rural youth for self-employment (TRYSEM), which focuses on rural youth, who have a tendency to migrate to the urban areas in the absence of sufficient and satisfactory job openings in their villages. Through acquiring skill in some new and appropriate branch of rural technology, they can hopefully establish themselves in the rural settings as trained mechanics or skilled personnel engaged in various other types of services, such as repair of pump-sets, tractors, etc., or start local crafts or cottage industries, or undertake jobs like that of a motor mechanic or many other traditional or (even) non-traditional jobs.

Besides horizontal spread and extension of the programme, another interesting and comforting feature has been the ever-increasing coverage of families belonging to Scheduled Castes (SC) and Scheduled Tribes (ST). In the first year, 42.12 per cent of the beneficiary families belonged to SC and ST categories of population. In 1979-80, their coverage had improved to 45.23 per cent and the following year, it was 52.26 per cent. The next two years, viz., 1981-82 and 1982-83, the SC and ST coverage was 57.36 per cent and 57.00 per cent respectively. And in the year 1983-84 also, about 55 per cent of the beneficiaries have been estimated to belong to these traditionally under-privileged sections of society. Considering that the overall combined percentage of SC and ST population in the state is about 28 per cent, this persistent trend of a proportionately higher coverage indicates that benefits are reaching the hitherto neglected and indeed more deserving persons amongst the economically weak and the backward.

Another notable feature or welcome indication has also emerged from the various types or categories of activities for which loans have been applied



for by the identified families and sanctioned by the banks.

The main emphasis has been on schemes relating to animal husbandry, such as acquisition of adequate or approved number of sheep, goats and other milch cattle. Except in 1981-82, when their percentage came down to 36.64 or in 1979-80 and 1982-83 when it was slightly above 40 per cent; during all other years, it has been above that figure touching 45.65 in 1983-84 (up to December, 1983).

In case of agriculture, the figures have fluctuated between 9.79 per cent in 1978-79 down to 6.99 in 1980-81 or 7.05 in 1982-83 and an all-time high of 10.65 in 1983-84 (up to December, 1983).

In case of minor irrigation (wells or pump-sets, etc.) there has, however, been a steady fall from 22.18 per cent in 1978-79 to the lowest ever 3.54 per cent in 1983-84 (up to December, 1983). Of course, in absolute numbers, perhaps there has been no drop, because in the meanwhile, the coverage has also grown and expanded.

### *Emerging Trends*

The real and more steady or marked growth, and emergence of a definite pattern has been in the so-called 'non-farm' sector of cottage industries or crafts, transport, small or petty business, trade and service or repair facilities. The percentage of coverage has risen from 24.39 to 29.88, 30.91 and 41.57, and 44.90 per cent in 1982-83 with a slight setback and drop to 40.16 per cent in 1983-84 (up to December, 1983).

These percentages and trends bear testimony to the gradual diversification of activities and patterns of preference amongst the beneficiaries away from the 'farm sector' to transport or industry, trade or business and servicing sectors. These activities are more commercial or industrial, more market-oriented and more significantly connected with the processes of modernisation.

A number of monitoring and evaluation reports or impact studies conducted by various institutions or academic and official organisations, including the banks involved, have also confirmed the same story. Variations have been mostly due to the socio-economic potentials of the areas concerned.

For example, as per an evaluation by the State Bank of Bikaner and Jaipur, of 268 beneficiaries in 65 villages of two Panchayat Samities of Bikaner district revealed that 92 (out of 268 families or 34 per cent) were landless; and amongst all these beneficiaries, 29 per cent had opted for camel carts (ideally suited for that desert area), 22 per cent for bullock carts, 22 per cent for sheep units (again ideal for local conditions), and 4 per cent for cows and buffaloes (maybe, they were influenced if not prompted by the existence of the Bikaner dairy). Most of the beneficiaries had their assets with them at the time of the survey, and had recorded definite improvement in their incomes, so that many of them could repay the bank instalments regularly (24 per cent) or on partly regular basis (36 per cent). It goes without saying that perhaps



the banks and their local or field officers found it more attractive and assuring to extend loans for (or against) possible physical or tangible assets.

According to a Punjab National Bank Study in Alwar district (371 families randomly selected in 40 villages of four blocks or panchayat samitis), the activities financed were all 'bankable and viable'; the assets purchased were of good 'quality'; and in 84 per cent cases, they were found with the beneficiaries.

Another evaluation done in 31 villages of four blocks of Bikaner district, selected on a random basis, revealed that out of 248 benefited families, 167 (27.34 per cent) belonged to the Scheduled Castes. Their sectorwise break-up of assistance received was: agriculture—87 families; animal husbandry—64 minor irrigation—32 and tertiary sector—6.5 families. About 80 per cent of the surveyed families had their assets in their possession, while 17 per cent had them (assets or animals) in part possession.

Covering 9 blocks in four sub-divisions of Jaipur district, a survey of 380 beneficiaries in 73 villages, carried out by the Institute of Development Studies, Jaipur, indicated a 60.5 per cent coverage of SC or ST families. Out of 380 beneficiaries, 251 (56 per cent) were agricultural labourers or artisans; 67 (17.6 per cent) were marginal farmers and 62 (16.3 per cent) small farmers. Except in the case of milch cattle, most other assets were in physical possession of the beneficiaries. Thus, 84 per cent of small farmers, 67 per cent of marginal farmers, 50 per cent of agricultural labourers, or 65 per cent of all categories taken together, had their assets with them. In all, 89 (or 41.2 per cent) out of 216 beneficiaries who had utilised their loans and subsidies could manage to cross the 'poverty line'. About 80 per cent of the families had gone in for camel or bullock carts or bullock pairs, and rural artisans were also amongst this group.

In the 'tribal' district of Dungarpur, a study showed that out of 191 families covered in the survey in 40 villages of five blocks, 61 per cent belonged to Scheduled Tribes and 32 per cent to Scheduled Castes. Sectorwise, they had opted for animal husbandry activities (69), agriculture (67), minor irrigation (7), and rural artisan trades or in petty trade, etc. (48).

Out of 303 beneficiaries surveyed by the Kumarappa Gram Swarajya Sansthan, Jaipur, in 55 villages of eight Panchayat Samitis of Jaipur district, 149 (49 per cent) were rural artisans; 46 (or 15 per cent) had no land; 90 (30 per cent) had land less than two acres each; and only 18 (or 6 per cent) had more than two acres of land. Out of them, 298 families had been sanctioned loans for the following activities: animal husbandry (186) means of transport or a cart, etc. (60), cottage industry (42), and petty shops or business (10).

A recent (April 1984) rapid but statewide monitoring survey conducted by the Special Schemes Organisation, the main sponsoring or coordinating agency for IRDP activities at the government level, covered a fairly large sample of 1,306 families. In every district, at least four Panchayat Samitis were



visited to cover 50 families who had benefited during 1983-84. The data revealed that 545 (or 41.73 per cent) beneficiaries belonged to Scheduled Castes and 94 (or 7.20 per cent) to Scheduled Tribes. The ST coverage was obviously much less than the percentage (12 per cent) of their population in the state, while SCs were covered in much larger numbers than their proportion in population (16 per cent). Labourers and rural artisans constituted a major group (434) besides small farmers (189) and others (125).

Their preference seemed to be for two main sectors of activities, viz., transport, and ISB (industry, service, business) sector (651) and animal husbandry (608). In these two broad groups, the varied types of activities chosen were equally revealing. Thus, in the transport and ISB sector, 430 persons had opted for ISB type of units or activities such as tea shop, grocery shop or repair shop or leather work and carpentry; 129 had gone in for camel or buffalo carts; 82 for bullock carts and 10 for 'horse-tongas'. Under animal husbandry, 302 beneficiaries had selected she-buffaloes and 59 had opted for cows; 126 had opted for goat units; 115 for sheep units and only one for poultry. In agriculture, 48 beneficiaries got pairs of bullocks and under minor irrigation, two had gone in for wells and two for pump-sets.

This diversification with growing interest in ISB type of activities is an encouraging development. Physical assets were in the possession of 121 families or 93 per cent of the families. Cases of non-possession of assets were more in 4 or 5 districts, mostly in the desert (Barmer 25 per cent of defaulters), Sikar (18 per cent), Ganganagar (17 per cent), Jhunjhunu, Jodhpur and Pali (15 per cent) or in the tribal area (Dungarpur 31 per cent); and particularly in respect of animal units (57 cases out of total 96). Obviously something needs to be done to ensure that physical assets, particularly animals, remain in possession of the beneficiaries.

Only 190 reporting families have not shown any addition to their incomes; but most of them had benefited only in March 1984. Others revealed additional incomes ranging from Rs. 100 to 400 per month. The higher range of incomes accrued from transport (carts, etc.) followed next by petty shop-keeping, business or trade or repairs, etc., while sheep and goat units added between Rs. 200 to 300 per month and between Rs. 100 to 200 per month accrued from milch cattle.

#### ROLE OF BANKS

From the banking angle, this statewide monitoring review, as also other evaluation studies, brought out some fairly encouraging reports or favourable trends—first, with regard to proper utilisation of loans, second, in terms of assets acquired and the net accrual of additional incomes to the families of the borrowers, and, lastly, though perhaps from the point of view of the banks the most important aspect, the regular manner in which the loan instalments are being repaid. Almost all evaluations brought out this fea-



ture. And in the case of the latest monitoring by SSO staff-officers, it was noticed that in all 3,721 instalments were due for payment by the surveyed families, though the total amount was only Rs. 4.02 lakhs. Against this, nearly 70 per cent instalments (2,618 in number) and 70 per cent of the due amount (total Rs. 2.87 lakhs) had been paid back to the banks by the borrowers.

In fact, a disconcerting fact also revealed that in quite a few instances, perhaps due to miscalculations or perhaps with a view to reducing their future risks and safeguarding their loans, the banks were recovering instalments at enhanced and even exorbitant rates. Since IRDP loans come in the category of medium-term or long-term loans repayable in 5 to 9 years, recoveries ought to have been made at reasonable rates in monthly instalments over the total loan period, at the most or at the earliest in 60 instalments over 5 years. But many instances were brought to light in which the monthly instalments were two to three times and in some cases even 4 to 5 times more than what they should have been.

It has also been observed in the past that sometimes, when the subsidies are released through the banks on their confirmation that assets have been purchased or acquired, the banks have tried to adjust these amounts against the payment of a few instalments of bank loans which may fall due for recovery after some time. Banks were also adopting certain practices as a result of which the relief of the subsidy element was not passed on to the borrowers; and the repayment instalments had been pitched up quite high.

Banks were also asking for individual or group 'guarantee' for loans up to Rs. 5,000 which is not necessary as per existing guidelines. Similarly, in case of tertiary sector (ISB) activities, though detailed unit costs were agreed to, in many instances only petty loans to the extent of Rs. 500 or Rs. 1,000 only were being extended for tea shops, grocery shops, etc.

Some of these operational problems need to be resolved.

### *Operational Problems*

Though many skilled and semi-skilled rural youth (as also some of their urban counterparts, placed in similar situations, have benefited from similar programmes for their training and self-employment or the SETUP) get necessary loan assistance from the nationalised and other commercial banks or from the Regional Rural Banks, it is the IRDP coverage of individual beneficiaries which is more widespread and 'universal'—nearly six lakh beneficiaries since 1978-79 have become long-term clients or customers of the banks. This achievement is a major gain for the concerned banks, as also a challenge for management and servicing facilities.

According to a recent review note prepared in June 1984 for the half-yearly meeting of the State Level Bankers' Committee, there were in all about 4,54,795 accounts with the various banks (all under the 20-Point Economic Programme, of which IRDP constitutes the main plank). Out of these,



more than three lakh accounts are with the commercial banks, the beneficiaries (having availed of a total sum of Rs. 118 crores by way of loans. Nearly 1.45 lakh accounts are being serviced by the various branches of more than half-a-dozen Regional Rural Banks with their loan portfolios adding up to a fairly respectable amount of Rs. 33.63 crores. It may be noted that while the Regional Rural Banks are less than a decade old, extension of loans by commercial banks in the rural sector started after the social control policy of 1967 and the nationalisation order of 1969.

No doubt, these achievements are quite impressive for a set of institutions which were once 'shy' of the rural areas, or had no business base there, and which do not have a proper rural orientation even today. There can also be no doubt that, but for the state government and the NABARD (National Bank for Agriculture and Rural Development) or its predecessor, the Agriculture Refinance Development Corporation (ARDC) acting as major catalytic and sponsoring agents, such a tie-up would not have been possible between the commercial or regional banks and their rural beneficiaries, much less on such a large and wide scale.

Left to themselves, these rural families would not have been able to find any access to or get any favourable and integrating response from the SC banking institutions. At least, the coverage would not have been so large and widespread. Perhaps most of the beneficiaries would not even have been aware of the existence of such credit institutions or the programmes or schemes for which they could draw loans from the commercial/cooperative banks or rural banks newly opened in their neighbourhood.

Similarly, left to the credit institutions, perhaps they would not have dared to venture out in such a big and ambitious way to identify and assist such a large number of deserving families from remote and distant corners of the state and in such a multifarious variety of local activities, trades and occupations. Nor would have these banks been encouraged or motivated to open more and more rural branches. There is no denying the fact that the state authorities, right from the state government level down to the ground or the 'field' level through their various organisations or institutions, have played a very significant role in providing points of contact or acting as bridges between the credit agencies and the beneficiary borrowers. In the process, many legal or procedural hurdles have been crossed; many viable or bankable projects and activities have been identified; and many other strategies or field level tactics evolved to reach out to thousands of beneficiaries in one go, in annual or more frequent identification or loan sanctioning campaigns or camps. Thus, whereas credit has come almost to the doorsteps of the borrowers, the banking institutions have also been spared a lot of initial but necessary and tedious groundwork, besides expenses on promotional activities or credit survey costs and credit risks which they might have had to incur or face in the absence of the government agencies coming to their help and acting both as their guides and guarantors.





Mutual cooperation and coordination of efforts have brought about a congenial and cordial atmosphere of inter-dependence so that many government schemes for socio-economic uplift of the weaker sections of society have reached the stage of take-off even in the absence of government funds. On the other hand, the banks have been able to put their funds (deposits, etc.) to some proper and worthwhile use in promotional and productive enterprises by lakhs of beneficiaries. Perhaps one of the social objectives of bank nationalisation almost 15 years ago is being thus realised to a substantial extent. Let us see the other side of the picture also. Under these and other various government schemes, loan applications continue to be 'sponsored' mostly, if not entirely, by the district or field-level agencies of the government with some help and guidance of some active local representatives of the people. Herein, perhaps, lie the seeds of future trouble or portents of dangers for the banks. They tend to show very little initiative or enterprise; but seek all sorts of administrative and legal support from the official machinery. They (or their field-level workers or development oriented staff members), despite becoming somewhat attuned to problems of rural areas and the local needs, have perhaps yet to become fully 'responsible' for rural development banking. They have not shown much independent effort. They seem to be 'led' by others, i.e., the government set-up has developed a sort of 'dependence syndrome' which may not be easy to overcome.

### *Dependence Syndrome*

There are disturbing signs in their tendency to show total dependence on the official machinery not only in respect of loaning operations for identifying suitable or deserving beneficiaries or in the cumbersome work of documentation, but also in fixing limits of credit per unit or the choice of schemes or activities for which loans can be sanctioned. They seek all possible safeguards to protect their advances, as also recoveries of outstanding loans. This has become one of their repeated refrains in the district or state level (and perhaps national) coordination committee meetings with government representatives.

On the basis of his personal knowledge and experience gained through very close and active contacts with the local/regional or even national level bank representatives during the early transitional period of social control and nationalisation, from 1967-69 and from 1969 to 1973-74 and maybe a little while later too, this author can say that there was a greater display of initiative, flexibility and innovativeness in the operations of the local banks at that time than in the subsequent or the present phases when most of the arrangements have come to be formalised and institutionalised into set routines or pre-set patterns and procedures. Now, if some changes in the patterns or procedures are required or appear desirable, or there are pressures of the local authorities or state representatives for more or better response, the bankers usually plead their inability



to oblige and deviate from the set lines, on the plea that such matters need to be taken up or sorted out at the higher (national) level. Such straightening out or 'regimentation' of loaning procedures, etc., also indicates growing stress on uniformity or 'centralisation' and eventual 'bureaucratisation' of the banking system on the plea of coordination and rationalisation.

Some other unpleasant and unfortunate aspects of the 'dependence' syndrome get accentuated or sharpened when it is linked up with the fixing of high and ambitious targets followed up with frantic efforts to achieve them under all circumstances. Though elaborate system of 'coordination' and exchange of information has been slowly built up, and it does bring about much desired cooperation and collaboration between all agencies (including the banks) at various operational levels, the system has not yet evolved or perfected its safeguards against the presence or role of unscrupulous 'middlemen' or 'intermediary agents' or 'touts' representing not only their own petty or selfish interests, but more often other well-organised caste-bound or commercial (and competitive) and even political interests.

#### *Bank is No Government Department*

For the bulk of beneficiaries, the loaning drives are officially-sponsored campaigns, of which the bank is a component like any other government agency. In other words, the common man views it (a bank) in no way different from a 'service' or 'department' of the government. For him, the bank loans are also not much different from the old government *taccavis* or cooperative loans, which (as per widespread feeling often spread or inculcated by local political workers) need not be paid back on time or in full as ultimately some of these can (will) be written off by the government. In some really bad cases of recovery of overdues, when the banks have to initiate legal action or take recourse to the local revenue authorities for their executive help, such feelings get further confirmed.

The banks have to register this impression on the common man's mind that they have a 'separate or distinct identity' and 'code of discipline', particularly when recoveries are involved. They have to win the trust and confidence of the people. They have to come forward to serve their customers on their own resourcefulness rather than relying on the government machinery for help and favour.

There are also many pitfalls or traps that the banks have to guard against. They have to be vigilant against unscrupulous elements or professional intermediaries. They have to keep in check their excessive zeal in pursuit of targets. Further, they (the development officers and other field level workers of the banks) must get to know well their clientele and respective areas of operation. They have also to build up a proper and helpful outlook and create an efficient set-up for a 'prompt but vigilant customer service'.





Their own experience and intimate knowledge of the local area will tell them how much trust they can repose in their clients and to what extent or to what limits or conditions they should extend the credit limit. But for all that, it is necessary and desirable for them to wean themselves away from the apron strings of the state government. Gradually, the banks must learn to do without the crutches of the official machinery.

They must learn to show initiative, flexibility and some daring or courage to cover the needy and deserving applicants, and even to take reasonable risks. At present, most of rural banking and actual field operations seem to have become routine activities initiated and engineered from outside the rural milieu with no challenge whatsoever for the more resourceful and enterprising functionaries except the targets under the so-called 'priority sectors'. They are not really involved in the development process at the village level. They are covered by guarantees of all sorts, refinance facilities from the NABARD and credit insurance, besides the help or support they get and have now come to expect (almost as their right) from the state government and local authorities.

The trends and the dangers which have been spelt above may not have surfaced in a bold and clear manner as yet in respect of all credit institutions involved in the IRDP operations. But they seem to be lurking under the surface. Their magnitude or reality become somewhat overwhelming when we look at the total field of banking operations in the rural areas of the state, and the limited manpower resources (often untrained raw hands with strong grounding in the rural ways of life) and the span of their organisational efforts.

#### *Bank Credit for Other Schemes*

Besides IRDP, the banks are also providing credit facilities for many activities most of which (perhaps almost all) are state sponsored and duly backed by government subsidies and administrative support. These efforts have also widened the socio-economic base of banking operations in rural areas. Enumerating some of these activities, we may briefly refer to some schemes allied or akin to IRDP or in the pursuance of which similar strategies and organisational or operational devices (*viz.*, identification of beneficiaries and official sponsorship followed by credit camps, etc.) are being followed:

(i) **SETUP** (or the programme for self-employment and training for the urban poor)—This programme is being operated in 11 towns and cities of Rajasthan, each with a population of more than one lakh. During 1983-84 (up to March, 1984) 12,312 families were identified against a target of 16,608. Against the proposed target of 5,900 families to be benefited, in all 9,349 applications were sponsored and 2,829 were sanctioned loans, but only 2,983 families were disbursed loans totalling Rs. 61.46 lakhs. Most of the beneficiaries belonged to Jodhpur (498) and Udaipur (413) followed by Kota



(290), Alwar (250), Sikar (205), Bikaner (130) and Ganganagar (103). In Bharatpur, Jaipur, Bhilwara and Ajmer the response and achievement was very poor.

(ii) TRYSEM—In fact, this programme for urban youth seems to have been evolved in the wake of and on the pattern of the programme for Training of Youth for Self-employment (TRYSEM) which is an important component and feature of IRDP.

(iii) SEEUY—While SETUP is confined to urban centres and TRYSEM is for the training of the rural youth, this scheme is for the benefit of educated unemployed to help them gain benefits or assets for self-employment. Announced by the Prime Minister Smt. Indira Gandhi in her Independence Day speech, on August 15, 1983, it has wider horizons. It covers all areas, both rural and urban, in all the districts. As on March 31, 1984, applications of 23,414 young persons had been sponsored under the scheme, out of 1,13,878 applicants or 24,359 persons were selected and short-listed for bank assistance according to their merit or prescribed conditions. Loans totalling Rs. 23.65 crores were sanctioned for 15,054 persons and a total amount of Rs. 15.02 crores disbursed among 10,691 persons. Even this 50 per cent achievement is quite significant. This also reflects the process of screening or sieving through which the applications have to pass and the nature or dimensions of the official (mostly in the industrial sector) and bank staff efforts, both routine as well as developmental, at least in terms of motivation and mobilisation.

(iv) *Rural Housing Scheme*—This scheme for the poor is another fairly new activity which is being now supported by the commercial banks. The beneficiaries belong to SC and ST families. It is indeed encouraging that 10,162 families were sanctioned loans (against a target of 10,000 and 13,105 sponsored applicants) and 8,228 were actually given loans totalling Rs. 27.54 crore up to the end of March, 1984.

(v) *Schemes like Bio-gas Plants*—Even in respect of the operationally difficult and challenging scheme like installation of bio-gas plants, 9,764 applications were prepared, 5,635 were sponsored and 3,024 sanctioned. Eventually loans were disbursed to 1,174 applicants during 1983-84 (up to March, 1984).

(vi) *Schemes for Subsidising Agricultural Inputs*—Another addition to these activities is the scheme for subsidies and assistance to small and marginal farmers for agricultural inputs which has had a good response in the state during the last and recent crop seasons.

(vii) *Group Schemes*—In addition to these credit facilities and subsidies, etc., for individual beneficiaries, the state government (its Special Scheme Organisation) has also sponsored in all about 750 Group Schemes of mid-term duration covering a variety of development activities, such as minor irrigation (including pump-sets and lining of water channels), rural electrification, land development (including command area development), dairy



development, farm mechanisation, dryland farming, horticulture and silviculture, pisciculture and the like. These are treated as 'area' or 'group' oriented schemes for which banks, including the cooperative banks, get refinance facilities and the state government (SSO) establishes special project implementation agencies or field organisations. In the process, thousands of beneficiaries have been covered since the various schemes started.

### *Trends in Bank Credit*

Thus, over the years, the coverage and range of activities for credit support have been growing and assuming wider and wider dimensions both in terms of the geographical area covered and the various sections particularly the economically weak and backward sections of society.

At least two or three broad trends have also come to surface. Most of these schemes or activities are still confined to or prominently based in the so-called 'potential' areas or areas endowed with favourable natural and physical resources in terms of land, water or favourable agro-climatic conditions. Secondly, the bank credit has had an easier or quicker flow in schemes or activities of medium or long-term involvement, say, between 3 to 7 years duration, especially where through such assistance, tangible and visible (if not solid or encashable and resalable) assets can be (or proposed to be) built. Beneficiaries have also been largely from among the more affluent or resourceful, vocal and enlightened or organised members of the community if not the elites, both in the rural and urban areas. This has been so where the banks have been left to manage things on their own though the Government of India and the Reserve Bank have been advocating and laying down policies and programmes for the hitherto neglected or by-passed sections of society. For the weaker or comparatively more backward sections (as for backward areas) active supports and sponsoring efforts of the official machinery and the responsiveness of local representatives have been the keys to achievement or conditions of success and failure.

### *Some Shortcomings*

In this context, it is quite significant and perhaps a discouraging feature of the widespread rural credit network that the commercial banks have not yet been able to make any big effort, in respect of short-term credit, particularly seasonal or annual crop loans for pesticides and fertilisers or seeds, etc. Their participation in this sphere or recurring credit support has been nominal, rather of a token nature.

But for the burden of short-term crop loans being bravely borne by the cooperative structure, in spite of all its stresses and strains, most of the cultivators would have been (or would be) denied of essential credit facilities for their production efforts, and perhaps they would have to run to the local



money-lenders and other affluent or rich agriculturists-cum-moneylenders as they seem to do for their so-called consumption needs. This lacuna or weakness in the rural credit structure of the commercial banks is very serious and needs to be overcome. The sooner the better. The Government of India, the Reserve Bank of India and the NABARD have also been made aware of this deficiency, again and again, but the scene has not changed. For the year 1984-85, out of an overall target of Rs. 166.33 crore, the commercial banks, with their hundreds of branches and lakhs of rural clients have got a share of only Rs. 21.21 crore of short-term credit. Their target is rather low as compared to the estimated quantum of short-term investment needs by way of inputs for seasonal crops. According to an estimate by the SSO, a minimum investment of Rs. 400 crore is required in the state for this purpose.

Perhaps one reason for their shortcoming seems to be that in this sphere of activity, the commercial banks have been left to exercise their own initiative discretion and their own devices. In many cases, in the absence of facilities for crop insurance, many of the bankers or field staff of the banks, would perhaps not feel happy or comfortable with regard to crop loans. But during recent years, during 1983 and more recently in 1984, special drives have been launched in Rajasthan, as in other parts of the country, to arrange for and tune up the delivery system of various inputs through "Agricultural Fortnights or Months". Though all the results have not yet come out, it is to be hoped that the banks have shown a better account of themselves by mobilising and allocating more and more credit for agricultural inputs.

At least they can make a substantial contribution, if they can manage to overcome the short-term needs of their lakhs of clients whom they have been serving under the various other mid-term credit schemes and to bring many others within their banking fold especially in the areas or blocks earmarked for their operations. The various Lead Banks in the state have a special responsibility in this regard.

However, these activities and campaigns seem to indicate the wide range of opportunities and challenges before the rural banking sector. This also emphasises the need for proper and smooth coordination between the various types of credit agencies, such as commercial banks and their Regional Rural Banks and the cooperatives, and between themselves within a district or a block. That is where the strategy of preparing district credit plans or the device or coordination committees, the role of Lead Banks as well as the development machinery of the government have to prove themselves.

It is also worth reconsideration whether we need all these three alternatives, though mutually complementary but sometimes competitive channels of rural credit, viz., cooperatives, commercial banks and their sponsored Regional Rural Banks. Or can their activities and identities be merged?



### *Support by State Machinery*

There is no doubt that involvement of the state official machinery and participation of popular representatives at the Panchayat and Panchayat Samiti levels has made the burden of the banking institutions somewhat lighter and easier than it would have been otherwise. We can only imagine the nature or the shape and dimensions of the exercise required if the banks or their field staff had to identify and approach each one of the beneficiaries on their own resourcefulness and initiative. The banks have also been saved a lot of promotional and preparatory effort. Because of all field agencies working in concert and for a common goal, and paving the path for the credit agencies, it has also been possible to extend the coverage in a phenomenal manner and in a short time. But there can be no doubt that the load of numbers (of applicants and loanees) has also caused a heavy and serious strain on the limited organisational resources or servicing capacity of the banks working in an environment with which they are not quite in tune. The unprecedented expansion of their network and staff has also created quite a major and continuing challenge for the bank managements, and operators at various levels. Perhaps quantitative achievements have been gained at the cost of quality and the operational costs of services and with a general fall in standards of control and discipline.

In the entire process of loaning, almost all the basic ground work is done by the local revenue or Panchayat Raj agencies. Thus, the deserving or needy families are located and identified on the ground of their family income assessment. Their choice or preference for different types of economic activities based on their aptitude or experience is ascertained. Then to speed up the operations, loaning camps are held at suitable intervals and places where the borrowers and the banks or their development officers and field staff come face to face with each other. Meanwhile, credit limits for various types of viable or bankable schemes or activities have already been determined, mutually agreed and prescribed through discussions between the banks and the government at the top level (by the SSO in the case of Rajasthan).

With all that having been done, the bank officials have only to scrutinise or process the loan application, satisfy themselves as to the identity, purpose of loans and payment capacity of the borrowers and then sanction the loan and release the amount as soon as a particular type of asset has been acquired or purchased, for which again, as in the case of purchase of cattle or other animal units, special purchase camps are held, if local markets or cattle fairs are being held in the neighbourhood. Purchase committees comprising of local experts, once again, lighten the burden or responsibility of the banks.

And yet, as has been seen, sometimes there are considerable time-lags between various stages of the loaning operations. Many loans are sanctioned or released towards the close of the year, while many applications are left pend-



ing even then. Further, as indicated earlier, the very span of numbers and the scattered way in which the borrowers live or go about their work, create many problems of logistics for the banks. They cannot supervise the field work or verify utilisation of the loans. There is the additional problem of finding suitable number of qualified or experienced field staff willing to work for the banks in the rural environment. And then the staff has got to be trained not only in banking laws, policies and procedures, but also in regard to the local revenue laws or social customs, besides socio-economic and cultural patterns. By no means are these tasks easy.

### *Challenges*

This growing challenge is reflected in the growth data pattern of the banks. But we may first have a look at the size of the operations in a year, during 1983-84.

According to a recent estimate (prepared at the time of the June, 1984 meeting of the State Level Bankers Committee) during the year 1983-84 (up-to March, 1984) various rural branches of the nationalised commercial banks could disburse loans to the tune of Rs. 9.10 crore to 68,215 persons under IRDP/20-Point Economic Programme, while the 9 Regional Rural Banks and their branches covered 30,388 persons with loans aggregating to Rs. 6.40 crore. On the other hand, the Rajasthan State Cooperative Bank and its affiliated Central Cooperative Banks (CCB) served 19,522 members with loans totalling to Rs. 3.94 crore.

This accounted for 1,18,125 accounts out of nearly 1.50 lakh persons covered during the year. According to another report, at the end of June, more than 50,000 applications of deserving persons, identified earlier during the year, were still pending with the various banks. (These were proposed to be covered during the early part of current year.)

The workload of the banks, or at least of the leading groups of banks can be judged from Table 1.

The trends and dangers which have been spelt out above may not have surfaced in a bold and clear manner as yet in respect of all credit institutions involved in the IRDP operations. But they seem to be lurking under the surface. And their magnitude or reality become somewhat overwhelming when we look at the total field of banking operations in the rural areas of the state, and the limited manpower resources (often untrained new hands and strangers to the rural ways of life) of the banks or their organisational efforts.

The challenges or the dangers being faced by nationalised commercial banks as well as the Regional Rural Banks, not only because of IRDP but also due to involvement of these financial institutions in various other priority sectors or 20-Point Programme, etc., are reflected from certain key data of the banks operating in Rajasthan.

The overall growth in deposits and advances of commercial banks and



TABLE 1 LOANS UNDER IRDP—1983-84

<i>Bank/Banking Group</i>	<i>Applica- tions Sponsor- ed</i>	<i>Loans Sanc- tioned</i>	<i>Loans Disburs- ed</i>	<i>Credit Mobilised (Amount in Crore) Rs.</i>
State Bank of Bikaner and Jaipur	36,138	28,689	20,905	4.06
Bank of Baroda	22,955	18,084	14,105	2.88
Punjab National Bank	13,477	9,211	7,097	2.11
State Bank of India	11,811	8,742	6,323	1.26
United Commercial Bank	9,559	7,542	5,080	1.11
Bank of Rajasthan Ltd.	11,970	10,295	6,952	1.37
Central Bank of India	6,842	5,000	3,784	0.69
Bank of India	1,929	1,565	1,335	0.34
Union Bank of India	1,966	1,585	1,135	0.24
<i>Others (Smaller Groups)</i>				
Oriental Bank of Commerce	590	526	396	0.08
New Bank of India	1,913	1,446	1,036	0.20
Punjab and Sindh Bank	671	364	292	0.05
Maharashtra Bank	—	—	110	0.05
Rajasthan State Cooperative Bank	73,328	59,840	40,626	8.74
State Land Development Bank	2,481	1,881	1,852	0.68

RRBs may be seen as one such indicator from data given in Table 2.

TABLE 2 DEPOSITS AND ADVANCES

<i>Particulars</i>	<i>Up to December, 1982* (Rs. in crores)</i>
Deposits	1,180.72
Advances	811.03
Priority Sector Advances	
of which loans given for :	
(a) Agriculture	238.96
(b) SSI	105.42
(c) Services	53.90
(d) Others	47.14
	445.42
Advances under DRI of which advanced to:	
(i) SC/ST borrowers	6.15
(ii) Others	4.94
	11.09
Advances under 20-point programme	144.95

\*Data compiled on the occasion of the recent June 1984 meeting of the State-level Bankers Committee. Bankwise data regarding deposits and advances *vide* December, 1983 is given separately.





TABLE 3 BANKWISE DETAILS OF DEPOSITS AND ADVANCES

S. No.	Name of Bank	Total Deposits (at the end of Decem- ber, 1983) (Rs. in crore)	Total Advances	Number of Branches as on 31st March, 1984		
				Total	Rural	Urban*
1.	State Bank of Bikaner & Jaipur	483.59	309.49	949	295	654
2.	Bank of Rajasthan Ltd.	186.15	97.64	190	85	105
3.	Bank of Baroda	185.94	111.35	232	161	71
4.	Punjab National Bank	147.44	116.76	132	68	64
5.	State Bank of India	130.98	133.44	124	36	88
6.	United Commercial Bank	108.5	64.45	118	55	63
7.	(a) Central Bank of India (Kota Region)	21.69	19.57	70	33	37
	(b) Central Bank of India (Jaipur Region)	45.52	26.46			
8.	New Bank of India	36.66	25.34	50	27	23
9.	Union Bank of India	29.43	15.65	34	18	16
10.	Bank of India	28.78	20.61	21	12	9
11.	Oriental Bank of Commerce	25.62	11.90	23	6	17
12.	Allahabad Bank	NA	NA	17	5	12
13.	Punjab and Sindh Bank	NA	NA	15	6	9
14.	Indian Overseas Bank	NA	NA	9	2	7
15.	Dena Bank	NA	NA	9	1	8
16.	Vijaya Bank	NA	NA	7	2	5
TOTAL		1430.29	952.64			

\*Other Small Banks with urban branches only—Indian Bank—7, State Bank of Patiala—2, State Bank of Maharashtra—5, Syndicate Bank—6, Hindustan Commercial Bank—5, State Bank of Saurashtra—2, Lakshmi Commercial Bank—9, State Bank of Indore—1, Co-operative Bank—1, Vyasa Bank—1, Canara Bank—4, Andhra Bank—1.

(Rs. in crore)

Sl. No.	Regional Rural Banks	Total Deposits (Upto Dec., 1983)	Total Advances	Total Branches (Up to March, 1984)	Rural	Urban
1.	Jaipur-Nagaur Gramin Anchalik Bank	11.67	21.19	106	94	12
2.	Shekhawati Gramin Bank	9.88	7.96	85	72	13
3.	Marwar Gramin Bank	7.81	19.65	113	103	10
4.	Alwar-Bharatpur Anchalik Gramin Bank	2.41	2.23	51	48	3
5.	Marudhar Khshetriya Gramin Bank	2.07	3.65	44	36	8
6.	Arawali Khshetriya Gramin Bank, Sawai Madhopur	1.23	0.73	34	31	3
7.	Hardoti Khshetriya Gramin Bank, Kota	0.69	0.30	35	33	2
8.	Mewar Anchalik Gramin Bank	0.35	0.11	10	9	1
9.	Thar Anchalik Gramin Bank, Jodhpur	0.24	0.90	8	5	3
TOTAL		36.35	55.84			





There are in all 38 banks, including 9 RRBs operating in Rajasthan through their more than 2,000 branches (2,081 at the end of December, 1983, as against 1,854 in the previous year and 1,719 at the end of December, 1981). Even this growth in the number of branches is reflective of the increasing pressure or demand on the not very old banking structure in the state. (The data indicated above, particularly in regard to advances, etc., seem to have been collected in respect of 1931 branches).

For purposes of reference and comparison, further detailed breakup of the total deposits and advances in respect of the major or most important commercial banks operating in the state and Regional Rural Banks at the end of December, 1983 is also given in Table 3.

Though the deposit/credit ratio seems to be reasonable and satisfactory as per limits prescribed by the Reserve Bank of India, the gap in respect of the various commercial banks is also noteworthy. But in case of some groups of leading banks which have also sponsored one or more RRBs the growing portfolio of advances seems to have outstripped their deposit mobilisation, so that the sponsoring banks are naturally more deeply involved. That the regional rural banks operating mostly in the rural areas, should be able to mobilise some deposits worth the name perhaps indicates the prevailing signs of economic well-being of certain sections of the people.

However, it is indeed creditable that between themselves, these 9 RRBs could increase their total deposits by about Rs. 10 crores within a year (from about Rs. 26 crores last year to Rs. 36 crores). The average per branch deposit at the end of December, 1983 ranged between Rs. 2 lakhs in the case of comparatively new Hadoti Khshetriya Gramin Bank to Rs. 12.30 lakh in the case of Shekhawati Gramin Bank.

These are some of the signs or the levels of deposit mobilisation in the rural areas. But obviously the success of a rural bank rests as much, if not more, on its loaning operations as on deposit mobilisation efforts. If only the commercial banks, and more particularly the cooperatives could take a cue from these data based on field experience or the ground situation. Unfortunately, while the 'culture' of the commercial banks is still largely influenced by the old habits of resource-building or attracting deposits, refinance and government support notwithstanding, the cooperatives have come to rely increasingly more and more on government funds or on RBI/NABARD refinance facilities and lag behind in the process of building up their own funds on the strength of members' deposits. □

## Tribal Development in Retrospect and Prospect: Sixth Plan Mid-Term Appraisal

Bhupinder Singh\*

**B**EFORE THE Tribal Sub Plan strategy came into being in the Fifth Plan period, financial investments in tribal areas were meagre, composed primarily of allotments for special programmes. The general sectors of state and central plans did not contribute significantly. Of the total First Plan funds, the percentage invested in tribal development was 1.0; it declined to 0.9 in the Second Plan and 0.6 in the Third Plan. It decreased further to 0.5 per cent both for the Annual Plans 1966-69 and the Fourth Plan 1969-74. In absolute terms, the investment was only of the order of Rs. 75 crores during the Fourth Plan period and even less in each of the preceding Plan periods.

### TREND OF INVESTMENT IN TRIBAL AREAS

A review made in 1980, *i.e.*, at the beginning of the Sixth Plan period, showed that the ushering in of the Tribal Sub-Plan in the beginning of the Fifth Plan period, led to a marked upswing in financial investment, rising from a mere Rs. 75 crores, *i.e.*, 0.5 per cent of the total Fourth Plan (1969-74) outlay to Rs. 1,182 crores, *i.e.*, 3.01 per cent of the Fifth Plan (1974-79) outlay (see Table 1).

It will be seen that the Tribal Sub-Plan (TSP) strategy has led to increasing investments in percentage (except for 1982-83) and absolute terms. Estimates based on trend-flow from the State Plans and special Central assistance of Rs. 470 crores place the total investment over Rs. 4,000 crores during the Sixth Plan period 1980-85. If we add contribution from the funds of central ministries and institutional finance, the total investment may well-nigh touch the Rs. 5,000 crore mark. This might exceed 5 per cent of the total outlay for the Sixth Plan.

\*Bhupinder Singh, "Planning Strategy for Tribal Development in Retrospect and Prospect: A Mid-Term Appraisal" in T.N. Chaturvedi, Shanta Kohli Chandra (eds.), *Social and Administrative Development and Change*, New Delhi, IIPA, 1980.



TABLE 1 PLAN INVESTMENTS IN TRIBAL AREAS, 1974 ONWARDS

Year	Total Plan Outlay (Central+ State+UTs)	Plan Outlay of TSP States and UTs	Flow to TSP out of State Plan Outlays	Flow to TSP+ SCA	Col. 4 as Percentage of Col. 3	Col. 4 as Percentage of Col. 2	Col. 5 as Percentage of Col. 2
1	2	3	4	5	6	7	8
1974-79	49322.00	16252.31	856.08	1043.00	5.27	2.18	2.65
1979-80	12176.50	5231.00	392.92	462.54	7.45	3.20	3.79
1980-85	97500.00	42390.00	3495.24	3965.23	8.25	3.59	4.05
1980-81	14722.40*	6500.00	497.32	567.32	7.62	3.37	3.85
1981-82	17417.30	7402.19	589.40	674.40	7.96	3.39	3.87
1982-83	21081.65	8495.54	680.54	775.54	8.01	3.23	3.67
1983-84	25480.32	9764.05	787.38	891.88	8.06	3.09	3.50

\*Anticipated.

*Flows from State Plans and Special Central Assistance*

The flows from State Plans to Tribal Sub-Plans have been given in Table 2.

TABLE 2 FLOW FROM STATE PLANS TO TRIBAL SUB-PLANS

Year	Amount (in crores)	Percentage of Increase in Investment
1979-80	392.92	7.45
1980-81	497.32	7.65
1981-82	589.40	7.96
1982-83	680.53	8.01
1983-84	787.38	8.06 (projected)

The quantum as well as percentage of flows from 1979-80 to 1983-84 show a steady upward trend. The 1980-85 projection of Rs. 3,500 crores is likely to be attained and may even be exceeded.

Alongwith the TSP strategy, the special Central assistance was instituted in the beginning of the Fifth Plan period. It was conceived as an additive and a catalyst for spurring financial investments of the state governments and financial institutions. During the Fifth Plan period 1974-79, the outlay of special Central assistance was Rs. 190 crores; for the Sixth Plan it is Rs. 480 crores. Yearwise it has been as follows:

Year	Rs. (crores)
1979-80	70
1980-81	70
1981-82	85
1982-83	95
1983-84	105
1984-85	125



As in the Fifth Plan, during the Sixth Plan period also, it has contributed notably to drawal of higher investment for TSP from the State Plan and institutional finance resources.

### *Centrally-sponsored and Central Sector Schemes*

The TSP strategy has been conceived to be comprehensive, subsuming within it all sources of finance, all sectors of development and all segments of population. The public sector, comprised of State and Central Plans, contributes to tribal development. Institutional finance has come to occupy an important position in the development process as it goes to multiply the financial resources needed for development. Most of the schemes concerned with anti-poverty goal are based on part-subsidy to be drawn from State and Central Plans and part-loans drawable from financial institutions. But though the concept was initiated in the Fifth Plan period, even in the Sixth Plan period its progress cannot be deemed to be satisfactory. Only six states have been able to effect quantification from Centrally-sponsored and Central schemes of the order of Rs. 197.49 crores during 1980-85; the extent of their utility is difficult to judge.

### *Institutional Finance*

Institutional finance is an important ingredient in the edifice of beneficiary-oriented programme. While subsidy element is available from the Central and State funds, the loan component has to flow from financial institutions. It has been prescribed that in the formulation of programmes, specific problems of each area and the target-group in terms of family should be clearly defined and schemes directly benefiting the individual tribal family accorded the highest priority. A tribal family may be given 50 per cent subsidy and 50 per cent may be the loan component from financial institutions; however, the relative percentage of subsidy and loan component may vary from state to state and further, in a state, from scheme to scheme. Both production and consumption credit occupy pivotal position in the gamut of measures for promotion of tribal economy.

The Working Group on Tribal Development, during 1980-85, projected the flow in the Fifth Plan period as of the order of Rs. 150 crore and expected Rs. 550 crores for the Sixth Plan period. Since the actual figures have not been reported, the flow can at best be only estimated.

Broadly speaking, there are three sources of institutional finance: cooperative sector, banking sector and corporate sector. The cooperative sector has been the one most closely connected with schemes in the field of tribal development. Perhaps, the chief reason has been that cooperatives have received specific attention in tribal areas since the Fifth Plan period with the establishment in remote places of more than 2,500 Large-sized Multi-Purpose Cooperative Societies (LAMPS). The presence of commercial banks in tribal areas has been rather scarce but, even where the branches



exist, their activity has been confined to a rather restricted jurisdiction around under constraints of staff, accommodation, mobility, procedures, etc. Coordination between the state developmental agencies and commercial banking authorities has not still acquired a level of effectiveness. In the corporate sector, direct loaning to individual tribals has been limited to a few, e.g., Gujarat Development Corporation, among tribal development corporations. Some thinking about creation of loan windows in the existing tribal development corporations or establishment of new tribal financial corporations has been going on, but it has yet to reach a stage of crystallisation. On the whole, institutional finance has not, so far, emerged as a strong financial pillar of tribal development programmes. Sustained steps are required in that direction.

Further, the reservation on the part of tribal in the use of institutional finance is understandable. He has had experience of the money-lender who has not only been charging him exorbitant rate of interest but also led him into a tunnel of indebtedness the other end of which he is unable to sight. In some cases, the experience of tribals even with the official lending agencies has not been happy. Some reports indicate lack of viability of the schemes. The tribal finds himself burdened with loan much beyond his repayment capacity on account of the more or less static or insignificantly incrementing economy. While this is the position on the one hand, the use of coercive methods for recovery derives the tribal further away. This has led certain state governments to operate family-oriented production schemes on a higher percentage-rate subsidy, even on cent per cent subsidy basis. However, since this practice might induce heavy reliance on government funding and is even otherwise liable to misuse, there is need for due circumspection. Further, posting of men of integrity, competence and dedication, simplification of procedures, distribution of loan and subsidy in public, introduction of viable schemes, association of representatives of beneficiaries in all operations and such other safeguards are necessary along with steps for multiplication of resources.

#### UTILISATION OF INVESTMENT IN TRIBAL AREAS

As indicated, during the Fifth Plan period 1974-79, the funds inflow from the State Plan into the TSP was Rs. 856.08 crores and the special Central assistance was Rs. 186.76 crores—the expenditure respectively being Rs. 759.44 crores and Rs. 157.82 crores. In other words, there was an overall shortfall of Rs. 125.57 crores. The shortfalls in the three years 1980-81, 1981-82 and 1982-83 were respectively Rs. 43.06 crores, Rs. 22.36 crores and Rs. 17.27 crores, if we take into consideration the State Plan and special Central assistance outlays. It would, thus, appear that the overall shortfalls have not been very significant. However, most of the figures indicated are departmental figures.



### *Indivisible and Divisible Pools*

A State Plan budget may be divided into three sectors: (i) infrastructure sector, (ii) social service sectors, and (iii) direct economic benefiting sectors. Broadly, the sectoral composition of the three groups could be as follows :

<i>Infrastructure</i>	<i>Social Service</i>	<i>Direct Economic Benefit</i>
A.1. Large and medium industries	1. General education	1. Agriculture
2. Mining	2. Art and culture	2. Animal husbandry and dairy development
3. Power	3. Technial education	3. Fisheries
4. Ports and harbours	4. Medical and public health	4. Forests
5. Roads and bridges	5. Water supply	5. Small, village and cottage industries
6. Road transport	6. Housing	
7. Flood control	7. Nutrition	
8. Major and medium irrigation	8. Backward classes sector	
B.1. Land reforms		
2. Minor irrigation		
3. Soil and water conservation		
4. Cooperation		

Since the Fifth Plan period, the question as to which sector or sectors are amenable to quantification for the TSP has been raised from time to time.

### *Infrastructure Sectors*

In the group of infrastructure sectors, there are certain sectors in sub-group 'A' like large and medium industries, mining, power, ports and harbours, which are capital-intensive, location-specific and, provided other conditions are identical, neutral to the beneficiary-clientele. The indigenes of tribal areas have not acquired still the attitude and the technology to be able to exploit the employment and market potential as well as other opportunities arising out of establishment of projects in these sectors. On the contrary, their pre-existing agro-silvicultural economy has suffered disruption, requiring rehabilitation. The establishment of such projects in tribal areas cannot, *ipso facto*, be taken as generating benefit-flow. This is conspicuously so insofar as ports and harbours and power sectors are concerned. Consequently, any quantification from these sectors of the State Plan shown in a state's TSP has to be accepted with reservation.

On the whole, the tribal economies of different regions in the country have yet to acquire the capability for using communications for quick growth. Hence, the beneficial effects of the two sectors, roads and bridges and road transport, may be real in the relatively less backward and apparent



in the more backward tribal areas. Further, slow, graduated exposure of some primitive communities inhabiting encysted tracts to the external winds of change may prove more beneficial to them in the long run than their over-zealous protection. In short, the existing and expanding network of communications may catalyse the economy of generality of tribal areas in due course.

The other two sectors of this sub-group, *i.e.*, flood control and major and medium industries, can be of direct impact to tribal area and tribal life. The salutary effects of flood-control measures are obvious. Insofar as the major and medium irrigation projects are concerned, situations can differ. There are cases of major and medium irrigation projects (*e.g.*, Mahe Medium Project in Rajasthan) whose headworks are located on land acquired from tribal owners but whose benefits may largely skirt tribals. Secondly, there are certain other projects (*e.g.*, Kolab major project in Orissa) whose command lies inescapably in tribal area. A third alternative is where technical feasibility might permit deliberate choice in the matter of benefits to tribal area or non-tribal area. In this sector, it becomes a question of benefits being consciously extended to tribals.

Thus, on the whole, while the eight sectors falling within sub-group 'A' of the infrastructure group appropriate more than 50 per cent, sometimes adding up to over 70 per cent of a State Plan budget, it would be facile to assume as a matter of course that advantages do accrue therefrom to tribals in case of credit of earmarked funds in the TSP.

The four sectors listed under sub-group 'B' of infrastructure sectors fall in a different category insofar as benefit-flow to tribals is concerned. These sectors perform a much closer supportive role for sectors and schemes which impinge directly on tribal economy. Many states have adopted the policy of assignment of high priority to allotment to tribals of ceiling surplus land becoming available as a result of application of land reform laws. Such holdings should become productive asset. Similarly, minor irrigation and soil and water conservation sectors enhance land productivity. The cooperative sector has for the tribal population a special role to play as cooperatives can become not only effective market-outlet agencies but also a medium for fair-exchange transactions. It has been seen, for example, that impulses imparted by a properly-motivated leadership turned some of the LAMPS into effective anti-exploitative vehicles. Thus, a close nexus between these sectors and those sectors which incorporate family-oriented schemes can yield benefits to tribal families. Flow of financial resources from the State Plan to these divisible sectors is, therefore, to be welcomed for strengthening tribal economy.

### *Social Service Sectors*

Water supply, in the true sense of the term, is a minimum basic need. It is doubtful if the problem can be liquidated in the Sixth Plan period





considering the present pace; it is to be fervently hoped it does not spill over to beyond the Seventh Plan period. Its listing at eighth position in the new 20-Point Programme lends it new emphasis.

The nutrition sector assumes special importance in view of the fact that the national document of the Planning Commission on the Sixth Plan places the bulk of the Scheduled Tribe population as living below the poverty-line. There is a large number of Scheduled Tribe communities, like the Juang and the Birhor, inhabiting scarce natural resource regions, suffering from malnutrition, needing diet supplementation, though a few groups, like the Muria and the Madia, live in better endowment regions.

The housing sector acquires significance for those tribal areas which are not too remote, particularly those adjacent to the semi-urban and urban areas.

General education, technical education and medical and public health are the three sectors commonly connected with human resource development. The Report of the Working Group on Tribal Development during the Sixth Plan (1980-85) period incorporated 1977-78 figures of enrolment percentages of tribal children in age-groups 6-11 and 11-14 years in 11 states. The 1971 Census reckoned the literacy percentage of Scheduled Tribe population in the country as 11.3; the 1981 Census figure is 16.35. There has been some progress in percentage enrolment of children and literacy percentage, but compared to the overall national figures, the Scheduled Tribes lag behind. Widespread dissemination of education is the first requisite. It appears that the states have been advised to identify deficiencies with reference to norms in the matter of primary, middle and secondary schools, school buildings, hostel buildings, teachers, equipment, etc., and prepare master plans for these. A perspective plan should visualise appreciate the time-span for removal of the deficiencies and execution of master-plans. Notwithstanding the recommendation of the Working Group that education be regarded as a key sector, it has not attracted funds relative to requirement. Apart from the question of curricula and syllabi, there are a number of other causes like loss of family income arising out of diversion to schooling of tribal children from engagement in economic activities, distance of educational institutions from tribal villages, quality of education imparted, absenteeism of teachers, etc., standing in the way of spread of education among tribals. Some incentives and remedies have already been applied. Others necessary need to be enforced.

The human resource development concept cannot afford to ignore the present generation whose quality of life and contribution to the overall national economy can appreciate with adult education. Alongside, upgradation of skills, through informal and formal technical education, can become a source of economic strength and confidence.

Though some of the tribal communities have their own system of indigenous medicine, they have remained on the leeward side of the





allopathic, ayurvedic, homoeopathic, yunani, etc., systems. Access to these systems can make life less prone to malaria, filaria, tuberculosis, leprosy, yaws, lathyrism, guinea-worm infestation, and help them in remaining healthy and more productive. Some health institutions have appeared in tribal areas. Reviews show that while in some states, like Maharashtra, their achievement closely approximates the relaxed norms, there are some other states where a yawning gap exists. This gap has to be made up through preparation of master plans. While the tribal system of medicine may be encouraged, effective and rapid public health preventive measures are likely to prove immensely advantageous. This does not, however, mean that the curative measures should be neglected. Mobile medical units can be useful for this purpose.

The eight sectors in this group can play a valuable role in the development process, which is also quantifiable. Considering that the tribal areas, as compared to other areas, have received less attention in the past, some weightage may be allowed in apportionment of funds for TSP areas.

#### *Direct Economic Benefiting Sectors*

Since now the plan priorities embrace not only creation and reinforcement of infrastructure facilities but also beneficiary-oriented programmes compounded with a wider spatial scatter, the interface between the development-agent and the participant-beneficiary has magnified. As such, fruitful interaction between them for implementing result-oriented programmes and schemes has become essential. In the first instance, such family-oriented schemes have to be conceived through consultation with the participant-beneficiaries or their representatives. Secondly, the schemes have to be prepared by concerned experts. Thirdly, the mode of financing of schemes being subsidy-cum-loan, credit institutions have to be involved; the schemes have to be bankable and viable. These requirements can be met if modules of each scheme are prepared in advance with clear input-output elements. The natural resource endowment of an Integrated Tribal Development Project (ITDP) area should be the base for a relevant shelf of schemes. A family may be enabled to avail of more than one scheme to ensure incremental income of an order required to raise the family above the poverty-line. The cluster approach might make for efficiency and convenience. In the Sixth Plan period, the objective of enabling 50 per cent of the families in the TSP area living below the poverty-line to cross the poverty-line has been set. If the Scheduled Tribe families in the TSP area (inclusive of tribal pockets) are taken into consideration, they number about 57 lakh and, assuming that 80 per cent of them live below the poverty-line, the total number of those below the poverty-line in that area comes to about 46 lakh. Hence, the target for the Sixth Plan period of raising 23 lakh families above the poverty-line has been set. It appears that reports received indicate that



approximately about 20 lakh families have been economically assisted towards that end.

The five primary sectors listed under this group form the core of the planned effort to raise the income-level of individual families. Community and individual-oriented schemes operated under each of these sectors aim at incremental income through capital, material and technological inputs calculated to raise productivity and production. Forest labour cooperative societies have been performing well in Maharashtra and Gujarat, while fisheries cooperatives have been organised in some other states. By and large, agriculture, animal husbandry and village and cottage industry activities are organised on individual basis. Whether they are individual-based or community-oriented, the development programmes need strong forward and backward linkages with other sectors. For example, surplus production in each of the five sectors needs marketing outlet and, presently, it is sought to be provided through LAMPS in addition to the extant market forces in the states. The input supply agencies, particularly credit, also require adequately strong linkages. These sectors call for micro-planning commencing at the VLW (or VAW) tier; funnelling upwards to block plan and ITDP project reports. The target-group oriented Integrated Rural Development Programme (IRDP), put through by the District Rural Development Agency (DRDA), also revolves around these sectors. The IRDP should be regarded supplemental to the family-oriented schemes of TSP.

Adequate flow of financial resources from the State Plan into each of these sectors of the TSP is vital. It should not merely be proportionate to the total population of TSP area but should also carry some weightage to compensate for present backwardness and past neglect.

The socio-economic development of the people of the TSP area in general and the Scheduled Tribes in particular, can be visualised in the short-term and long-term perspectives. In the short-term, the existing levels of skills, technology and awareness would determine their absorption and take-off capabilities in the five primary sectors. Their capabilities are likely to be upgraded with the operation among them of the eight sectors of the social services group. Even so, they are unlikely to make any substantial use of the eight sectors of sub-group 'A' of the infrastructure group; on the other hand, the four sectors of sub-group 'B' would offer close and valuable support. Even in the somewhat longer run, it is doubtful whether sectors like power, large and medium industries, mining, etc., would come within their economic assimilation ambit. The concept of divisibility or indivisibility of sectors of State and Central Plans, therefore, needs to be looked at not only from the point of view of the inherent characteristic of a sector lending itself to apportionment between TSP and non-TSP areas, but also to its relevance in the short and long runs. Sectors of the sub-group 'A' of the infrastructure group attract interest for the reason that, while



on the one hand a major percentage of State Plan resources is tied up for them, on the other the location-specificity of projects and their high financial requirement invest them with a degree of inflexibility. The following points emerge:

- (a) The capital-intensive nature of sub-group 'A' of infrastructure sectors limits availability of funds for sectors which are, in the short run, more germane to a section of the population like Scheduled Tribes hovering around the poverty line.
- (b) Given the present level of technology and awareness of Scheduled Tribes as well as the exacting demands of modern sectors of sub-group 'A', benefit-flow therefrom to Scheduled Tribes in the short-run may not be expected. However, effort needs to be intensified on the social services front, say in the fields of general education, technical education, etc., so that the gap between their present capability and that required to assimilate advantages of the modern sectors can be closed as early as possible.
- (c) For the short-run, attention needs to be focused on the direct economic-benefiting sectors through strong inter-linkages particularly with sectors of sub-group 'B' of the infrastructure group. Maximisation of flows from the resources of the State and Central Plans for these sectors is necessary.

There has been controversy whether inclusion in TSP of investment in certain sectors like large and medium industry, mining, power, and tourism is justified or not. The establishment of projects in these sectors in TSP area may lead to a certain fall-out in the form of infrastructural facilities and direct and indirect benefits. But mere location does not ensure benefit-flow to the tribals in particular and the local people in general. The question of inclusion or exclusion of financial provisions in TSP may be approached discriminately, since in one region the tribals may be quite incapable of deriving benefits while, in another region, they may well be on the way to acquisition of skills and awareness whereby they may not lag behind much in deriving benefits. The benefit-accrual test may be relevant.

For exercise of determination of the quantum and percentage of funds of State Plans channelised into sectors which benefit families directly, four groups of sectors have been identified: three groups being the same mentioned earlier, the fourth comprised of those sectors which do not fall within the other three groups, e.g., integrated rural development programme, national rural employment programme, labour and labour welfare, information and publicity, economic services, general services, etc. The total investment in direct economic-benefiting sectors for 1980-81 works out to Rs. 57.62 crores for 1981-82 Rs. 66.44 crores, and for 1982-83 Rs. 68.34 crores. The respective percentages of these outlays to the total State Plan for the three



years are 0.89, 0.90 and 0.80. There is decline in the last year but the reduction is not very significant. It is pertinent that in the 1980 tribal development review, the average figure was 3.24 per cent; but the methodology of calculation was different and the two sets of figures are not comparable.

The lion's share of flow from State Plan to TSP is appropriated by the sub-group 'A' of the infrastructure group. For 1980-81, in different states, the percentages of sub-group 'A' of the flow to TSP ranged from 14.46 to 76.40, the notional average being 47.48, *i.e.*, nearly half of the TSP. Such national average in respect of sub-group 'B' was 12.83. The two together make up to about 60 per cent. The share of social services sectors was 19.08 and other sectors 9.20; the balance 11.59 per cent went towards the direct economic-benefiting sectors. The position summarised for the three years is shown in Table 3.

TABLE 3 FLOW FROM STATE PLANS TO TSP DURING 1980-83

Sectors	Percentage of Flow During		
	1980-81	1981-82	1982-83
(1)	(2)	(3)	(4)
Direct-economic-benefiting sectors	11.59	11.27	10.03
Infrastructure sub-group 'A'	47.48	46.89	44.58
Infrastructure sub-group 'B'	12.83	12.82	13.74
Social Services sectors	19.08	18.96	20.74
Other sectors	9.02	10.06	10.91

As mentioned earlier, one cannot doubt the utility of the infrastructure sectors like power, transport, and communications in contributing to the general economy. But the presence of industrialised tracts in tribal areas is revealing. Modern industrial infrastructure in the form of mines, transport, power, technology, etc., has got established in these islands without affecting much the traditional agro-forestry tribal cultural matrix alongside. It appears that the tribal culture will take quite some time to come to terms with the new culture. In the interregnum, it needs a variety of development accordant with its present, slow-changing ethos. Contrarily, family-oriented schemes in the economic sectors, like agriculture, horticulture, animal husbandry, forestry, and small and village industries can usher in quick benefits, howsoever small, liable to make substantial difference to the meagre income of a family. Viewed in this light, the shift in planning orientation needs to be hastened during the final year of the Sixth Plan period and in the next five years of the Seventh Plan period.

It is in recognition of this factor that the Working Group constituted by the Planning Commission on Tribal Development during 1980-85 set out the



following objectives for the Sixth Plan period:

- (a) Raising productivity levels in the fields of agriculture, horticulture, animal husbandry, forestry, cottage, village and small industry, etc., so as to create economic impact of an order which should enable a targeted number of families (say 50 per cent) in the TSP area to cross the poverty-line. With the household as the basic unit of planning, in poverty reduction, the poorest and then the poor should be taken up on a progressive scale.
- (b) Apart from the efforts in the core economic sectors indicated in (a) above, education should become the key sector in the Sixth Plan period.
- (c) The attainment of the objectives in (a) and (b) above would vitally depend on an adequate infrastructure for the creation of which there should be commensurate financial and physical effort.
- (d) Concomitant with the aforesaid threefold aims and, perhaps, the most important, assiduous exertions are necessary to eliminate exploitation of tribals in the fields of alienation of land, money-lending, debt-bondage, trade, excise, forest, etc.

The new 20-Point Programme, which includes acceleration of programmes for development of Scheduled Castes and Scheduled Tribes has reinforced the four objectives mentioned above. Further, the IRDP and NREP have added to the general thrust of the family-oriented programmes in the TSP. The first task is to identify families living below the poverty-line in the TSP area. To an extent, this was facilitated by the bench-mark survey initiated in the middle of the Fifth Plan period in various states. Anti-poverty surveys under the IRD Programmes can help the matter further.

#### PLANNING PROCESS

Guidelines were issued by the Planning Commission in the Fifth Plan period that the planning process for TSP should commence from below. The block plan should emphasise family-oriented sectors like agriculture, horticulture, animal husbandry, forestry, minor irrigation, tiny, cottage, village and small industries; the human resource and infrastructural sectors should follow in priority. The block plans thus formulated should receive attention at the ITDP-level for the purpose of aggregation and formulation of project report of an ITDP. However, the planning input at the ITDP level has to be of much higher quality than the block level. Further, involvement of tribal representatives like MPs, MLAs, Panchayat Samiti chairmen (members of ITDP-level committee) as well as guidance provided by the district collector (chairman of the committee) should upgrade its quality and perspective. Three parameters conceived to govern preparation of



block-level plans and ITDP reports are: (a) natural resource endowment of the Block/ITDP area, (b) the socio-economic milieu, *i.e.*, occupations, skills, attitudes and aptitudes of the people, and (c) resource availability for the perspective plan period and the annual phases. Essentially, the project report would need to be a happy blend of priorities relative to: (i) schemes of direct benefit to families in an ITDP, (ii) human resource development schemes, and (iii) infrastructure development schemes. The project reports of the ITDPs in a state should determine the size and character of the state's TSP. Against a total number of 180 ITDPs in the country, 129 project reports were prepared during the Fifth Plan period and 109 during the current Plan period. The quality of the project reports needs marked improvement.

#### *Administrative Structure and Personnel Policies*

Two important pre-requisites for an administrative organisation are: (i) appropriate type of structure, and (ii) the right personnel policies. The Maheshwar Prasad Group made a number of recommendations in this regard.

The adoption of the TSP approach led to availability of massive physical and financial resources. Want of adequate matching administrative machinery is ascribed, in part, as the reason for benefits not reaching the target group. In some states, the block structure, the lowest unit of execution, has been allowed to atrophy: it has to be revamped and streamlined. The formulatory and supervisory ITDP has become an integral part of district administration, with the District Collector having been appointed as chairman of the ITDP committee and District-Level technical officers as members. Hence, the need for intermeshing of vertical and horizontal hierarchical echelons is indispensable. Considering the simple tribal situation, vesting the concerned functionaries, particularly the project administrator of an ITDP, with both administrative and regulatory functions (especially under the Fifth Schedule) helps. The project administrator should be sufficiently senior and suitably empowered to effect cohesiveness between the project and the district administration. He should be suitably assisted by subject-matter specialists. Gujarat and Maharashtra have been able to work out arrangements for involving Zila Parishads and allied bodies; the State of Bihar has been in the process of sorting out this matter.

Madhya Pradesh has set up Regional Tribal Development Authorities between the district and state levels, *i.e.*, at divisional level. Bihar has been having three Regional Authorities, since the breakup of the Chhota Nagpur and Santhal Parganas Autonomous Development Authority. The bigger states, with concentration of scheduled tribe population might consider formation of regional bodies. The accent has to be on administrative integration as well as technical and financial integration at all tiers. At the state level, the tribal development department should function as a nodal



department. Its horizontal linkages with other development departments should be strong and functional.

In the matter of personnel policies, the first requisite is that competent and dedicated government servants should be posted in tribal areas, which are usually regarded as punishment areas. To neutralise the handicaps of distance, lack of communications, health, education and entertainment facilities, adequate monetary and non-monetary incentives need to be attached to posts in tribal areas. Formation of sub-cadres of those cadres which have traditionally been deficient in tribal areas seems necessary. Adequate administrative and financial delegations have to be made in favour of an ITDP project administrator, the collector and commissioner, similar delegation of powers of technical sanction should be conferred on their technical counterparts.

### *Budgetary Arrangements*

Since the process of earmarking of funds for TSP commenced, two methods have been adopted for reflection of the quantified funds in states' budgets. In one, a subhead of each head in the budget of a sectoral department is split into two parts: one reflecting the share of the scheme for the TSP area and the other the rest of the provision. In the second method, quantified funds of all the sectoral departments are shown departmentwise under one single demand head, controlled by the tribal development department of the state. Control over utilisation of funds is better when they are placed under one single demand head since, while their utilisation remains the responsibility of the concerned sectoral departments, the tribal development department is enabled to keep a close watch over utilisation, affecting reappropriation wherever necessary. The states where the former procedure has been adopted are Andhra Pradesh, Assam, Bihar, Manipur, Orissa, Tripura and West Bengal. The single-demand head methodology has been adopted by Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra and Rajasthan.

For TSP 1982-83 and 1983-84, the Government of Himachal Pradesh has exhibited special Central assistance and Centrally sponsored schemes under a single-demand head, departmentwise, headwise and schemewise. A similar step has been taken on the non-Plan side also. The outlays are shown separately for each of the five ITDPs. It enables the tribal development department, other departments, ITDPs and other field authorities to see, at a glance, availability of funds for each of the schemes, making the innovation a trend-setter. Himachal Pradesh has made one more stride. It appears that a decision has been taken that of the total State Plan outlay, a certain quantum of funds will be set apart as a lump-sum for TSP, allocable by the tribal development department to various sectors in accordance with perceived needs. This step also deserves to be commended to other states.





### Central Ministries

On account of the fact that the theatre of action lies in the states, the state governments commenced their TSP exercises in the beginning of the Fifth Plan period. There has been a time-lag in the matter of involvement of Central ministries. They were called upon to undertake the following steps:

- (i) Formulation of appropriate programmes;
- (ii) Suitable adaptation of the on-going programmes;
- (iii) Quantification of funds from their budgets for tribal areas;
- (iv) Creation of liaison cells in each Department/Ministry for tribal development work; and
- (v) Budgetary innovation for reflection of funds earmarked for tribal areas from the various heads in their budget through opening of sub-heads, as in some states.

The concerned Central ministries have quantified funds, but some of them have still to monitor their utilisation. Most of them have yet to adopt the budgetary mechanism.

### Participants' Involvement and Voluntary Organisations

The first requisite for success is an earnest understanding of planning and implementation machinery. But even with the best of personnel, interpretation of the desiderata, as conceived by Scheduled Tribes, may remain enigmatic. Among the several causes for the communication gap, language barrier may be one. The best form of bridge seems to be an organisation of the tribals themselves, particularly an articulate and enlightened intermediary for aptness in formulation and catalysis in implementation. Such tribal institutions may be of the traditional variety, *e.g.*, *Manjhi* and *Parganaiti* of the Santhals, village council among the Saoras, and the *Gaonburas* among the Nagas. If dormant, they should be activated. Further, where there is effective tribal representative in statutory Panchayat, tribal viewpoint can be heard; more often than not, in the presence of the dominant non-tribal element, the tribal viewpoint does not find adequate expression. The Asoka Mehta Committee on Panchayati Raj institutions recommended reservation for Scheduled Tribes on those bodies. Some way has to be devised.

Above the village, tribal representation has got formalised at the block, ITDP, district, state and national tiers over the years. At the block-level, the Panchayat Samiti should be representative of the tribal segment of the population. At the ITDP-level, the advisory bodies are constituted of the district collector as the chairman, the district-level technical officers, MPs and MLAs (members of Scheduled Tribe communities in reserved constituencies) and other tribal leaders. At the district-level, zila parishads and district planning boards usually contain tribal representation. At the state-level, apart from the legislature committee on the welfare of Scheduled





Castes and Scheduled Tribes, Tribes Advisory Councils have been set up in states having scheduled areas, in accordance with the provisions of para 4 of the Fifth Schedule of the Constitution; incidentally, MPs should find place therein. At the national level, apart from the Parliamentary Committee on the Welfare of Scheduled Castes and Scheduled Tribes, the Commissioner for Scheduled Castes and Scheduled Tribes and the Commission for Scheduled Castes and Scheduled Tribes are expected to take care of the interests of Scheduled Castes and Scheduled Tribes. It would, thus, appear that at each hierarchical tier, tribal association has been provided for. Apart from these, tribal viewpoint is projected on the floors of the State Legislative Assemblies and national Parliament. But, overall, the grassroot levels, i.e., the village and panchayat levels, need effective representation for both planning and implementation. *Vis-a-vis* implementation, we have made little progress during the current plan period. The development process should become more interactive, relevant and fruitful with the following three steps: (a) involvement of the village and panchayat tiers, (b) more effective association at the ITDP, district and state levels, and (c) involvement at each level in both planning and implementation.

Voluntary organisations have played a notable part, particularly in the field of education. Dedicated members of voluntary organisations, such as Ramakrishna Mission and Nagaland Gandhi Peace Ashram, have identified themselves with tribals and interpreted their needs and aspirations to the development administration. Most of them are comprised of non-tribal members; with tribal members on their rolls, their effectiveness will be enhanced. Idealism should continue to infuse the old and young organisations.

### *Monitoring*

Increasing investments in tribal areas of the country should lead to worthwhile and concrete results for the population, particularly the target-group. The investments during 1979-83 excluding flows from other Central schemes and institutional finance, add up to Rs. 2,478.85 crores. The picture of physical achievements ensuing from these investments remains incoherent and incomplete since the data flow from the states remains sketchy.

The planning strategy is getting tilted, of late, towards individual family programmes. As per item 7 of the 20-Point Programme, the states have to report monthly and quarterly on the number of Scheduled Tribe families economically assisted to cross the poverty-line. The target was set in the Sixth Plan period of assisting 23 lakh ST families, being 50 per cent of the 46 lakh families estimated as living below the poverty-line in the TSP area. As per reports available, this target is likely to be surpassed. But, double or multiple counting of families and other shortcomings cannot be ruled out. It is hoped that, in course of time, monitoring will acquire proper strength, form and refinement. Given a regular and proper feedback through a sound



monitoring system in a state, it is possible to:

- (a) judge whether the policy and procedures have been correctly adopted in the field;
- (b) make an assessment of results accruing in quantitative terms, matching them with the targets set; and
- (c) derive lessons in respect of quality of implementation and appropriateness of policies and programmes, with a view to apply correctives for future.

### *Evaluation*

Holistic and sectoral as well as concurrent and *post-facto* evaluative studies in tribal development are inadequate. Sectoral studies have been taken up in states. The study of LAMPS has been conducted by organisations like the Vaikant Mehta Institute of Cooperative Management, Bihar State Planning Board, Reserve Bank of India, NABARD and Tribal Research Institute. Study of administrative structure in tribal areas in the states of Madhya Pradesh and Gujarat was taken up by the Indian Institute of Public Administration. No holistic evaluation study of an ITDP or a state has been done, except in the case of Keonjhar ITDP by National Institute of Rural Development (NIRD). However, several holistic studies are afoot. Each of the Tribal Research Institutes has been asked to undertake holistic study of at least one ITDP annually. The Programme Evaluation Organisation of the Planning Commission has undertaken evaluation studies of eight ITDPs in the country. The NIRD and some private research organisations have also been entrusted with holistic studies. Their results are likely to be useful.

### CONCLUSION

The foregoing review shows that the shift in the planning strategy in favour of family-oriented programmes initiated in the Sixth Plan period has to make further strides. Of the total State Plan outlays, the percentage of funds flowing into family-benefiting programmes is 0.89 for 1980-81, 0.90 for 1981-82 and 0.80 for 1982-83. Percentagewise meagre, a beginning has been made and the investment is likely to make impact in the socio-economic condition of families living in the TSP area. There is need for further thrust in that direction during the last two years of the Sixth Plan period and the Seventh Plan period. The shift in planning orientation should acquire momentum.

In accordance with the target set in the Sixth Plan period, 23 lakh families are expected to be economically assisted over a period of time to enable them to cross the poverty-line. Reports monitored at the national level show that the target may be surpassed. But a precise idea of the economic assis-



tance rendered and the capacity of the families to cross the poverty-barrier have not been formulated. Some evaluation studies have been initiated, but it will take some time before results are obtained. It has been assumed that sustained economic assistance for one or more development schemes to a family over a period of time should enable the family to jump the barrier; for the purpose, modules need to be conceived of with normative inputs and outputs. The results actually flowing on the ground from the operation of the schemes need to be compared with the normative modules for application of correctives. This needs close ground-level verification and evaluation of the nature and quantum of economic assistance.

The success of family-benefiting programmes is vitally dependent on the support and supplementation of infrastructure and human resource development sectors. Finely-balanced planning formulations of family-development, human resource development and infrastructure development sectors are called for in each state, depending on the parameters of the situation obtaining. □

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## **Organisation and Working of District Rural Development Agency—Special Reference to Khammam District in Andhra Pradesh**

**P. Arjun Rao**

THE DISTRICT Rural Development Agency (DRDA), Khammam came into existence on April 1, 1981 by integration of schemes under Small Farmers Development Agency, Integrated Rural Development Programme, Training of Rural Youth for Self-Employment, and Antyodaya Programmes. These agencies were entrusted with different programmes for different categories of rural people. The aim was to see that rural development takes place by seeking cooperation of various governmental agencies, local bodies and also financial institutions, like Grameen banks, commercial banks, nationalised banks and rural cooperative and agricultural banks. The institution of District Rural Development Agency was entrusted with the responsibility of dealing with various agencies mentioned above in the implementing process of the programmes which aimed at providing benefit to various sections of people, like small farmers, rural artisan, and landless agricultural labourers, apart from unemployed youth. Thus, the entire rural manpower and womanpower was to be motivated to participate in such programmes to help them emerge above the poverty line. As is well-known, a large chunk of rural population continued to live below the poverty line and fruits of five Five Year Plans did not reach them much to the chagrin of the planners.

The institution of DRDA, as per the guidelines of Government of India, is to extend benefits to the people below the poverty line in rural areas having annual family income below Rs. 3,600. The annual target set for DRDA was 600 families in a block area to attain the overall target of 3000 families during the Sixth Five Year Plan. It is certainly an ambitious programme in view of various administrative and socio-political constraints. Despite existence of Panchayat Raj institutions, which were created to carry out development programmes, having the necessary experience and expertise, separate institution like DRDA has been constituted additionally for the purpose. It is in this perspective that DRDA of Khammam district was chosen to examine whether the organisational structure provided for this purpose is conducive to efficient functioning from the points of view of coordination and cooperation. Khammam district was chosen particularly for the reason that people of the district are believed to be very much



politically articulate and dynamic. Another reason is concentration of tribal population in two Taluk areas of the district.

#### ORGANISATIONAL STRUCTURE OF THE DRDA

The DRDA of Khammam emerged from the merger of Small Farmers Development Agencies (SFDA) and District Development Authorities (DDA), and was registered<sup>1</sup> under the Societies Act of the Government of Andhra Pradesh. It is a body corporate with all characteristic features. It comprises a Governing Body, Chairman, Executive Committee, and the Project Director. The Governing Body has 31 members.<sup>2</sup> Broadly, it consists of Chairman, Vice-chairman, Members and Project Director.<sup>3</sup> The District Collector is the Chairman of the Governing Body. The Chairman of Zilla Parishad is the Vice-Chairman and the rest of them are the members of the Governing Body including the Project Director. The Project Director also acts as the Secretary-cum-Treasurer of the Society's Governing Body. (See Appendix for details of composition.)

The first members of the society are as follows:

1. Joint or Additional Secretary to Government of India, Ministry of Rural Reconstruction, on behalf of the President of India;
2. Joint Secretary/Deputy Secretary to Government, Forests and Rural Development Department, Government of Andhra Pradesh;
3. District Collector and Magistrate, District Representative of Government of Andhra Pradesh;
4. Chairman of Zilla Parishad; and
5. One representative on behalf of the Andhra Pradesh Government.<sup>4</sup>

The Governing Body, having a large number of members (31, including Chairman, Vice-chairman and Project Director) is unwieldy. It cannot meet as often as it should to transact business and guide the DRDA continuously in its work. So there was the necessity to have a smaller compact body which could meet as many times as possible and take decisions in consonance with major policies of the Governing Body. Therefore, an Executive Committee is envisaged for the purpose. The members of the Committee are nominated by the State Government.<sup>5</sup>

<sup>1</sup>G.O.Ms. No. 44, Forest and Rural Development (RDV) Department, dated February 12, 1982.

<sup>2</sup>*Ibid.*

<sup>3</sup>*Ibid.*

<sup>4</sup>*Ibid.*

<sup>5</sup>*Ibid.*



The Project Director, drawn from IAS cadre, is a senior officer in the state government but care is taken to see that an officer junior to the District Collector is posted.

The composition of the Governing Body needs a careful attention. Out of a total of 31 members, there are 17 government officials, six bank representatives, three Panchayat Raj political chief executives, one Member of Parliament, two Members of the Legislative Assembly, one female representative from the weaker sections and two from Scheduled Castes and Scheduled Tribes. It is apparent that more than 54 per cent are government officials and the rest bulk representation is from the financial institutions. The representation of weaker sections, for whom the schemes or programmes are meant, is meagre. The Governing Body is dominated by bureaucracy most of whom are heads of different departments in district administration. They have their own departmental work to attend to, including inspection, supervision and control of the officials, besides attending to desk work at the district headquarters. Secondly, the bank officials too have to discharge other functions in their own bank. It does not need any elaboration as to how the District Collector is overburdened with the work of the district administration as the chief executive and the coordinator of the district administration. So most of the members of the DRDA, while comparing functions of their parent departments' functions, consider the DRDA functions as secondary. The only member of the Governing Body is the Project Director who is also a full-time officer of the DRDA.

The executive committee consists of five to six members. The District Collector, who is Chairman of the DRDA, is also the chairman of the Executive Committee. The other members of the Executive Committee are the Project Director, representatives of the major administrative departments of the district and also banks.<sup>6</sup> The Executive Committee has to meet at least once in a month to look into various programmes intensively and take necessary decision. The matters pertaining to long-term importance, such as approval of the plan, must be brought before the agency. The meeting of the Executive Committee is convened and presided over by the District Collector. The Chairman has a casting vote in case of a tie. The Executive Committee shall take necessary decisions on all matters which are explicitly entrusted to the Governing Body subject to ratification by the latter. The chairman and in his absence, the vice-chairman, preside over the meetings of the Governing Body.

The foregoing discussion indicates that the organisational arrangement of DRDA is not conducive to achieving desired goals. Besides the Governing Body being unwieldy and dominated by government and bank officials who do not always accord first priority to DRDA in their functioning, the members of the Executive Committee are also drawn from major adminis-

<sup>6</sup>G.O.Ms. No. 44, *op. cit.*



trative departments and banks. As such, the same criticism holds good in case of Executive Committee also. Further, there is lot of grumbling and also a strong protest from the Panchayat Raj political functionaries that the functions of DRDA should have been entrusted to them instead of creating a separate agency like DRDA.<sup>7</sup> Their resentment over the setting up of DRDA and style of functioning of the Project Director is quite strong. They feel that much harm has been done to the development programmes than expected.

While most of the members of Governing Body and Executive Committee are not able to take much interest in DRDA activities, the chairman of the Governing Body and the Executive Committee is also overburdened with lot of administrative, regulatory and development functions apart from functions of coordination. Consequently, he can very rarely spare time for DRDA. Thus, under the existing organisational arrangements, the Project Director, being a full time member of the society, is the most powerful functionary of DRDA. The impression given during the study<sup>8</sup> by officers, and political leaders (including the Chairman, Zilla Parishad and the President, Panchayat Samithi, Khammam Block) is that the powers and functions of DRDA centre around the Project Director. The organisational climate makes him so powerful that he can circumvent several rules and regulations. Several instances about it were cited by various sections of people in the interviews. One such instance was that the Project Director, instead of paying the stipend amount to the trainees of tailoring, promised to arrange supply of sewing machines to them. But though the trainees completed the training foregoing the stipend amount, they did not receive any sewing machine promised by the Project Director. Another instance was that, under the procedure, the Project Director was required to obtain signatures of the chairman on a cheque of higher value for withdrawing the amount. But as the Project Director and the chairman were not on speaking terms, the former made two cheques for the said amount and drew the money. All this could happen only because the Project Director has emerged most powerful on account of the factors described earlier.

The main thrust of the working of DRDA is based on the identification of beneficiaries followed by the financial assistance partly from DRDA as margin money and loan from banks and Scheduled Castes and Backward Castes Corporation also. It is interesting to study the process of identification of beneficiaries, sanction of margin money and advancement of loan from the financial institutions.

<sup>7</sup>Vide interviews held on June 9, 1982 with the Chairman, Zilla Parishad, and President, Panchayat Samithi, Khammam Block.

<sup>8</sup>*Ibid.*



### *Cluster Village Criteria*

In order to bring 6000 families in a block area during the Sixth Plan period as stated earlier, certain villages in a Block are to be identified which could be called as a cluster of villages. This approach, of development is described as area approach. Under area approach, the selected group of villages are subjected to intensive, integrated development prowess. The criteria for selecting such clusters in each block primarily was proximity to financial institutions<sup>9</sup> like banks. Though the intention to create the DRDA was, perhaps, to see that the benefits reach the individual beneficiary in a block, but it was unmindful of other considerations like the distance of the village to the bank or block headquarters. However, the strange phenomena revealed during the study was that primary importance was accorded to financial institution rather than the individual beneficiary. It amounts to or perhaps means that the villages far away from the financial institutions could not be covered under the DRDA programmes.

The second criteria for the selection of cluster of villages was to choose a village where there are no large number of defaulters.<sup>10</sup> This factor added another interesting dimension to these programmes. The District Collector and Magistrate stated<sup>11</sup> that almost 80 per cent of the individual beneficiaries in the district are covered by one or the other programmes with financial assistance from various banks and they were found to be defaulters. He expressed an apprehension that soon a situation may develop where one has to search for a beneficiary who is not a defaulter. Again, it is stated that almost all the members in a family have received some sort of loan under various schemes. This, perhaps, leads one to presume that the financial assistance so extended was not endowed with effective follow-up programmes like further financial support, if necessary, to see that the project is grounded to yield the desired dividends. Further a genuine beneficiary was not located for the financial assistance and pursued till the project was grounded. On account of these reasons, perhaps, there is a large number of beneficiaries who became defaulters. It may be pertinent here to state an interesting instance<sup>12</sup> pertaining to rules regarding purchase of buffalo from specified areas away from the locality. Since the buffalo so purchased could not adjust to the climate of the area, the beneficiaries could not achieve the desired results and became defaulters. As a result, many beneficiaries either sold their buffalo or were not in a position to feed the buffalo. Incurring loss in this way, they became defaulters. Therefore, the criteria for cluster of villages should be based on the

<sup>9</sup>Interviews held on June 6, 1982 with officials of DRDA, Bank officials and the Block Development Officer at Khammam.

<sup>10</sup>Interviews of June 6, 1982, *op. cit.*

<sup>11</sup>Interviews held on June 6, 1982 with the District Collector and Magistrate of Khammam.

<sup>12</sup>Interviews held on June 8, 1982 with the beneficiaries.





beneficiaries, however far away they may be located in the block, rather than proximity to the financial institutions.

### *Identification of Target Groups*

The thrust of the DRDA programme is heavily dependent on identification of target groups, which is the responsibility<sup>13</sup> of the Block Development Officer, Agricultural Assistant-cum-Extension Officer of the block, assisted by Sub-Assistants and Village Development Officer. These officials depend on Patwari (the village revenue official who maintains land and land revenue records) to identify the beneficiary whose income per annum does not exceed Rs. 3,600. It was revealed that generally the Patwari's word was treated as final regarding the economic status of the beneficiary, i.e., possession of landed property, income, etc. None among the above mentioned officers physically verify the relevant revenue records, like *khata* and *phani* to assess the landed property and the income. The Patwari, who is known for his notoriety in Indian revenue administration, is consulted on such an important matter. It is stated<sup>14</sup> that the Patwari generally, helps the officials in identifying the beneficiary even without taking the assistance of any such records. It is surprising that though no systematic survey was conducted in the whole district to identify the target groups, the DRDA and other financial institutions advanced financial assistance. It is intriguing that the selection of beneficiaries was made mostly from the list of the survey made in the year 1975-76 for the purpose of SFDA and IRD programmes. The information collected some six years ago could not be helpful for DRDA programmes which commenced in 1981 as many changes might have taken place during the intervening six year period.

A political functionary, like the President of the Panchayat Samithi, is not statutorily associated with the DRDA programmes. The political executives of Panchayat Raj are neither involved in the process of identification of beneficiaries at the village level nor in transmitting the cases of beneficiaries to the DRDA. As a result, the political chief executives of the Panchayat Raj institutions tend to become indifferent to these programmes. It may be difficult to achieve desired results unless people's participation is ensured in all the processes of programmes.

It is reported that a proposal is being formulated in the concerned Union Government department to identify the beneficiaries in the Gram Sabha meeting. The proposal is ideal as identification of undeserving beneficiaries in the presence of Gram Sabha will not be possible. But in this regard, experiences, especially in Andhra Pradesh, about the functioning of Gram Sabha will have to be borne in mind. The meetings of Gram Sabha are

<sup>13</sup>Vide interviews held on June 8, 1982 with the beneficiaries and the officers involved in the process of identification of Target Groups.

<sup>14</sup>Interviews held on June 8, 1982 with the leaders of village.



rarely convened.<sup>15</sup> Though the records show that the meetings of Gram Sabha are convened and decisions arrived at, but in practice the Gram Sabha rarely meets. Besides, some practical difficulties in undertaking an activity like identification of beneficiaries in the meetings of an unwieldy body like Gram Sabha, the process may at times possibly lead to friction if any protest comes forth on wrong identification of the beneficiary.

It is interesting to study the process of identification of the beneficiary after it has been completed at the village level. According to the relevant rules, it is observed that such an identification has to be certified by the concerned Tahsildar. It is observed that on the basis of the certification made by the Patwari, the Tahsildar attests it. Then the case is transmitted to the BDO who prepares a detailed note about the case and sends it to the Chairman of the DRDA. It may be mentioned, here, that the role of the BDO finishes after just forwarding the case of the beneficiary to the DRDA. He is not entrusted with the responsibility to see whether the project is grounded properly and the necessary supplementary financial or technical assistance required by the beneficiary is extended. Thus, an organisational device is needed to identify the beneficiaries on more scientific lines.

The DRDA processes applications of beneficiaries verifying all the formalities completed earlier and transmits it to the concerned bank by releasing the subsidy. Though applications are forwarded to various financial institutions for grant of loan, the margin money is not released by DRDA.<sup>16</sup> It is stated that there are several cases pending with the DRDA. The financial institution, in certain cases, waits even for several months for release of the margin money.<sup>17</sup>

#### *Multiple Agency System*

Too many institutions are involved in the process of providing financial assistance. They are DRDA for margin money, several banks (like Grameen banks, commercial banks, nationalised banks) and also the Scheduled Castes and Scheduled Tribes Corporation for granting loans. Besides, other agencies are also involved, like District Industrial Centre, which processes applications for marginal money, and gives technical clearance for various small and cottage industrial schemes planned by individual entrepreneurs, including the technical training. In all nearly eight different agencies are involved in the process of identification of beneficiaries, sanction of margin money and also grant of loan which causes delays in clearing of projects and gives scope for several administrative evils, like red-tapism, speed money, etc. It has been observed that the agencies concerned apportion blame for delays against each other in serving the

<sup>15</sup>Vide discussions held on June 9, 1982 with some voters of Panchayat Samithi, Khammam.

<sup>16</sup>Vide interview held on June 10, 1982 with the officials of the banks.

<sup>17</sup>*Ibid.*



beneficiaries by shifting the responsibility.<sup>18</sup> The role of the DRDA is not just limited to clearance of margin money but to coordinate with various agencies for early finalisation and grounding the projects. But as reported,<sup>19</sup> its role has been that of inaction.

#### CONCLUSIONS

The phenomena mentioned in preceding paras call for a change in the existing multiple-agency system. All the financial institutions could evolve some sort of a system by placing funds at the disposal of the Chairman of the DRDA assisted by a liaison officer so that he could clear the projects.

The study of organisation and working of the DRDA Khammam calls for far-reaching changes regarding organisational structure, cluster village criteria, identification of beneficiaries, etc., as given in the following paras.

The DRDA shall consist of those members who can invite popular participation: membership of officials may be dispensed with. The initiative must rest with the people's representatives and other elites who are known for their service to the people. The association of Chairman, Zilla Parishad with the DRDA as Vice-chairman does not contribute much as there is a feeling that other political Chief Executives of Panchayat Raj are not associated with it.<sup>20</sup> Unless the political functionaries of Panchayat Raj are involved in all these programmes at the highest decision-making as well as implementing levels, the desired results may not be achieved; such a step would also push out the middlemen (Pairaveekars) to a large extent. The President of Panchayat Samithi is kept aloof whereas the BDO, who discharges his functions under his administrative control, is entrusted with the responsibility of identification of beneficiaries and also processing their applications to DRDA for sanction of loans. This is a very strange organisational arrangement and does not contribute to sound organisational functioning. The Governing Body shall consist of Chairman, Zilla Parishad, Presidents of Panchayat Samithis in the district, and representatives of the Central and State Governments. The Chairman of the Zilla Parishad shall be the Chairman of DRDA. The institution of Project Director may continue with a difference. The executive committee shall consist of Chairman, Zilla Parishad, two Samithi Presidents and two beneficiaries nominated by the Chairman. The Chairman, Zilla Parishad shall head the Executive Committee. The casting vote shall rest with the Chairman. The Executive Committee may meet as often as possible. It has to exercise control over

<sup>18</sup>Vide interviews held on June 10, 1982 with officials of DRDA and various financial institutions.

<sup>19</sup>*Ibid.*

<sup>20</sup>Interview held on June 9, 1982 with the Chairman, Zilla Parishad, Khammam.



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the Project Director. This organisational arrangement leaves the Project Director to act within his limits.

The cluster village criteria should not be the nearness of the bank. Instead, the banks should reach the beneficiaries irrespective of the distance from the headquarters of the banks. With reference to the statement of the District Collector regarding the difficulty in locating a person who is not a defaulter under one or the other programme, it is suggested that the entire amount may be advanced as a grant to the beneficiary till the project is grounded and sustained.

The rules and regulations should be framed in such a manner that they help the beneficiary. The rules regarding purchase of buffalo from particular place must be scrapped.

A committee may be constituted at the village level headed by the Sarpanch of the Village Panchayat for identification of beneficiaries. The Committee shall consist of Village Development Officer, concerned extension officer, a member of Panchayat, and Patwari. All the members shall have to physically verify the revenue records and other sources of income and all of them must be made responsible for the issuance of certificate. Attestation of income certificate by Tahsildar be withdrawn to avoid the delay.

Multiple agency system should be scrapped to avoid delays. The advances to be made by each bank be fixed in a meeting with the District Collector. All the money shall be deposited in the name of the Chairman, DRDA. A liaison officer be appointed to head the monitoring cell to take care of the follow-up action. Managers and other heads of financial institutions may meet as often as possible to assess the needs, etc., under the presidency of the Chairman, DRDA.

As the Panchayat Raj bodies have the necessary infrastructure and experience in development functions, the whole programme may be handed over to them. In such a case, the DDO will discharge the functions of the Project Director, the present Executive Committee of DRDA may be the policy-making body for the purpose and the DDO himself would discharge duties of the liaison officer.

Some of the beneficiaries have stated that they were not aware of the types of programmes and assistance how to proceed and whom to approach. Such a communication gap or unawareness created a category of middlemen (Pairaveekars) who seized the opportunity to make money. They spoil the officials too.<sup>21</sup> The DRDA has not taken care to set up a public relations wing in its organisation and educate the people about various schemes and sources of financial assistance. Therefore, a Public Relations Officer with specialisation in rural development may be appointed.

<sup>21</sup>Vide interviews held on June 8, 1982 with some of the beneficiaries.



## Appendix

### COMPOSITION OF THE GOVERNING BODY OF DRDA

#### GOVERNMENT OF ANDHRA PRADESH ABSTRACT

INTEGRATED RURAL DEVELOPMENT PROGRAMME—Extension to all Blocks with effect from October 2, 1980—Setting up of Rural Development Agencies—Constitution of Governing Bodies of the Agencies—Orders Issued.

#### FORESTS AND RURAL DEVELOPMENT (RDV) DEPARTMENT

G.O.Ms. No. 44

Dated, the 12th February, 1982

*Read:*

1. G.O.Ms. No. 508, Forests and Rural Development (SF) Department, dated 5.10.1974.

*Read also:*

2. From the Government of India, Ministry of Rural Reconstruction, D.O.Lr. No. 71012/30/80-IRD, dated 4.10.1980.
3. G.O.Ms. No. 62, Forests and Rural Dev. (RDV) Department, dated 13.2.1981.
4. From the Government of India, Lr. No. 11011/43/81-IRD-II, dated 10.3.1981.

#### ORDER

2. In continuation of the orders issued in the G.O. read above, Government direct that the following amendments to the Memorandum and Articles of Association of the District Rural Development Agencies shall be registered under the Societies Registration Act in all the districts except Hyderabad Urban districts. The Governing Body will consist of the following:

1. District Collector (Chairman).
2. Chairman, Zilla Parishad of the District (Vice-Chairman).
3. Joint or Additional Secretary to Government of India, Ministry of Rural Reconstruction, New Delhi or his nominee, as ordered by Government of India (Member).
4. Joint Secretary or Deputy Secretary, Forests and Rural Development Department, Government of Andhra Pradesh (Member).
5. Joint/Deputy Director, Agriculture of the District (Member).
6. District Cooperative Officer (Member).
7. Joint/Deputy Director (AH) (Member).
8. Assistant Director (Fisheries) (Member).
9. Divisional Forest Officer, Headquarters (Member).
10. Executive Engineer (Minor Irrigation), Irrigation Branch (Member).
11. Executive Engineer, Panchayat Raj Department (Member).
12. General Manager, District Industries Centre (Member).
13. Executive Officer, S.C./B.C. Corporation (Member).
14. Representative of the Reserve Bank of India (Member).
15. Representative of Agricultural Refinance and Development Corporation (Member).
16. One representative of the Cooperative Central Bank at the District Headquarters (Member).
17. Regional Officer of the A.P. Cooperative Central Agricultural Development Bank having jurisdiction.



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18. Lead Bank Officer in the District (Member).
19. Chairman, Regional Rural Bank (if covered) (Member).
20. Project Officer, Integrated Tribal Development Agency, if the district is covered by ITDA (Member).
21. District Women Welfare Officer (Member).
22. One member of Parliament from the district to be nominated by government (Member).
23. Two M.L.As. from the district to be nominated by government in Forests and Rural Development Department (Members).
24. Two presidents of Panchayat Samithi to be nominated by Government in Forests and Rural Development Department (Members).
25. District Development Officer (Member).
26. Two representatives of the weaker sections one of whom may be drawn from Scheduled Castes/Scheduled Tribes to be nominated by government in Forests and Rural Development Department (Members).
27. One representative of Rural Women to be nominated by the Government in Forests and Rural Development Department (Member).
28. Project Director (Member-Secretary-cum-Treasurer). ☐

## Rural Development and Bureaucracy in India

Shriram Maheshwari

RURAL DEVELOPMENT programmes, on successful implementation of which directly hinges the destiny of as much as eighty per cent of the country's population, are characterised by certain features worth noting. First, the instrumentality of rural development in India is public bureaucracy and the assumption of responsibility in the field is not a recent event, dating back, in fact, to the early days of the British rule. Suffice it to say, the colonial economy enlivened with welfarism was the initial motivation for the British Government to initiate and administer programmes of rural development.<sup>1</sup> That this happened in an age of *laissez-faire* is itself remarkable. Secondly, all the major components of rural development are the direct responsibility of the state governments under the Constitution of India but it is the Central Government which, in practice, is providing the principal drive and leadership to the whole field of rural development, backing it with massive funds. This has the effect among others, of integrating the two levels of bureaucracy in a federal system. Not only is the career bureaucracy the instrument of rural development but even the voluntary agencies—such as are operating in this area—are able to exist largely because of the bounties from the public exchequer.

What the foregoing emphasises is the centrality of position which bureaucracy occupies in the field of rural development. By the seventies, the rural development bureaucracy had crossed the figure of 80,000 and today it is nearly 100,000 strong. This fact of bureaucracy being there for rural reconstruction and that too in such a large number may sound surprising, even incredible at least for two reasons. Rural development was an important commitment of the national struggle for independence under the leadership of Mahatma Gandhi. But the Mahatma premised it on self-help and mutual cooperation on the part of the villagers. Mahatma Gandhi once clearly observed: I "hate to see government servants prowling in the streets of Indian villages." How contrary it is to the present model of rural development in which the bureaucracy acts as the policy-making and implementing agency of rural development? Thus, the character of rural development has

<sup>1</sup>See B.B. Misra, *District Administration and Rural Development in India*, Delhi, Oxford University Press, 1983. The history of rural development in India is discussed in the present author's *Rural Development Administration in India*, New Delhi, Sage Publications (forthcoming).



undergone a basic change, and in independent India it is a nearly hundred per cent bureaucratic programme.

No less striking is the utilisation of the traditional bureaucracy for administration of rural developmental programmes. The bureaucracy was a suspect in the nationalist eye and was even subjected to repeated criticism by the political leadership. Mahatma Gandhi, Jawaharlal Nehru, Sardar Vallabhbhai Patel and others were publicly critical of the colonial bureaucracy. Mahatma Gandhi had dubbed it as 'top heavy and ruinously expensive'.<sup>2</sup> Jawaharlal Nehru criticised it in his *An Autobiography*: "Of one thing I am quite sure, that no new order can be built up in India so long as the spirit of the Indian Civil Service pervades our administration and our public service... The Indian Civil Service and similar services must disappear completely, as such, before we can start real work on a new order".<sup>3</sup> Sardar Vallabhbhai Patel had criticised it in no uncertain terms in 1946 when, as the Home Member in the Government of India, he could not even have a recalcitrant deputy commissioner of a district transferred.

It really calls for an explanation why the administrative system of independent India did not undergo an overhaul despite its sustained public criticism in the earlier period. There could perhaps be three viable explanations for its continuity. First, the style and manner in which India won its political independence from the British, became the dominant governing norm in all walks of its public life. India, it may be recalled, acquired its independence under the Indian Independence Act, 1947, and the process was called 'transfer of power'. Indian independence, in other words, was characterised by extreme constitutionality and legality, and this fostered an environment, ruling out any radical or violent change with the past. The dominant ethos of the time was constitutional and legal, and this provided the setting for the consideration of the country's public services also. Not only were these not to be changed but they were given new sanctions also. The Constitution of India includes a chapter dealing with public service and it confers safeguards on it. This is surprising as constitutions are known to include charters of rights to the people, but the Constitution of India, it is remarkable to note, provides protection and safeguards to the 'ruling servants'. In short, legality pervaded all actions, and in this context the continuity of the colonial bureaucracy looked but imminent. Secondly, a sudden and significant change in the disposition of the national leaders *vis-a-vis* bureaucracy occurred once they themselves stepped into government positions. As political executives, they came in close and continuous contact with the public servants and must have apparently been impressed with them, or at any rate, seen their many qualities of dedication

<sup>2</sup>Quoted in *Mahatma Gandhi, The Man and His Mission*, Madras, Natesan & Co., 1930 (Eighth Edition) p. 40.

<sup>3</sup>Jawaharlal Nehru, *An Autobiography* London, Bodley Head, 1955 Edition, p. 445.





and professionalism, in the process shedding their misgivings about the inherited bureaucratic system. Finally, Jawaharlal Nehru did not evince any deep abiding interest in matters concerning bureaucracy and administration despite his occasional philosophising, instead it was Sardar Patel who was the effective decision-maker in the field of public administration. And Sardar Patel soon emerged as the greatest protector and even admirer of the bureaucracy, changing completely his earlier perceptions.<sup>4</sup>

The bureaucratic system that India has at present is thus inherited from the colonial rulers, and it is this one which is entrusted with the functions and responsibilities of rural development, of course, with new graftings on it as mentioned earlier, and modifications, when necessary, of the older one. Of course, it would be utterly unrealistic to expect the bureaucracy and administration to continue along the traditional track in the traditional style. Bureaucracy had to fit into the new constitutional framework and it was subject to environmental pressures and forces which, if anything, have been growingly becoming more intense, even at times aggressive. The structural changes in the machinery of administration have also been many.

The burden of the theme is that in India what is called revenue bureaucracy has been mobilised for rural developmental functions, and the changes and additions that have been planned since the start of the Community Development Programme in 1952 are all built around it. The employment of the regulatory administration for such tasks and its hegemonic role in development have not been without confusion, conflicts and even contradictions, a state of affairs which has not till this day been satisfactorily resolved. This lack of consonance between the old and the emerging is best explained by Albert Mayer of the Etawah Pilot Project. Albert Mayer argues that the revenue bureaucracy "distinctly looks down on the other services—technical services, development services". It also very much looks down on underlings—The essence of the Etawah Pilot Project is that it is the opposite of this. It has developed a new kind of service to the people because it opened up the potential of both the underling worker and the technical worker by giving them a strong voice in work and decisions and encouraging them to use it. This was very new. In the early days it was exhilarating as every one together breathed new air.<sup>5</sup>

#### INNOVATIONS IN RURAL BUREAUCRACY

The most striking innovations made by rural development right at the start of its career were principally three : block development officer as head

<sup>4</sup>His observations in the Constituent Assembly of India when the civil service safeguards were discussed, are given in *Constituent Assembly Debates*, 1949, Vol. X, pp. 48-50.

<sup>5</sup>Albert Mayer, *Pilot Project India*, Berkeley, University of California Press, 1956, p. 68.



of the development block, the new unit of administration : village level worker as the joint agent of all development agencies in the village; and development commissioner as the coordinating functionary at the state level.

#### *The BDO*

The concept of a block manifested itself in the fifties though it first made its appearance, in embryo, in the *Report of the Famine Enquiry Commission* (1945). This Commission considered people's cooperation as crucial in the successful execution of schemes of rural reconstruction and development and suggested that it should be sought and obtained through panchayats. Its specific recommendation was for the setting up of a Rural Development Advisory Council in each tehsil (or its equivalent) to be composed of the presidents of panchayats of the area. A tehsil was thus emerging as a new level of rural administration. The Draft Outline of the First Five Year Plan (1951) carried the idea forward and made the firm recommendation in favour of carrying out a block of 50 to 60 villages with a population of about 25,000 to 30,000.<sup>6</sup> The Block has thus emerged as a basic unit of rural development administration and this unit is headed by a block development officer.

#### *The VLW*

The second innovation made by rural development administration in India is the village level worker, and this functionary, so ubiquitous in rural India today, was first conceived in December 1946 by the architect of the Etawah Pilot Project, Albert Mayer and put into the field in 1948 when the Pilot Project was started.<sup>7</sup> Hitherto, the normal practice with the nation-building departments was to have their individual representatives in the village, thus forcing the farmer to deal with several public functionaries for what to him was the same problem. This created a measure of confusion, particularly at the farmer's end. Secondly, these village level functionaries were working separately and unrelatedly, almost in watertight compartments, and the approach of each such official very often was that the farmer should fit into his formula or remedy and not *vice versa*. There was hardly any attempt on the part of them to relate their programmes or activities to each other or to the requirements of the farmer, their avowed target. The helpless farmer in the circumstance, simply got nonplussed and did not really know whom to listen and adhere to. Thirdly, the bottom level functionary was too ill-paid and ill-equipped to be able to inspire the cultivator and sustain his confidence in his advice. The village level worker is consolidation of all of them, the joint representative of several departments.

<sup>6</sup>Albert Mayer, *op. cit.*, p. 25.

<sup>7</sup>*The First Five Year Plan: A Draft Outline*, New Delhi, Planning Commission, 1951, p. 87. Also see the *First Five Year Plan*, New Delhi, Planning Commission, 1951, Chapter on "Community Development and Rural Extension".



Besides, he is a trained individual capable of solving many of the farmers' day-to-day problems in the initial stage itself and where necessary he would obtain expert advice from the higher level to which he is linked.

#### *The Development Commissioner*

The Development Commissioner at the state headquarters to coordinate developmental programmes of different departments and to over see and expedite their implementation is another innovation of development administration in India. The Planning Commission had recommended the setting up of this functionary at the very start of the Community Projects in India though the state of Uttar Pradesh (then called United Provinces) had a development commissioner since 1946.<sup>8</sup> The Commission observed: "The apex of the machinery of rural development will be the development commissioner for the state. This will be an office of the greatest importance because the success of the entire programme of rural development and agricultural production will depend on the type of person appointed as development commissioner and his competence as the leader of a team comprising heads of departments."

These three may be identified as the most outstanding early innovations made by rural developmental programmes. This does not imply that no other changes in bureaucracy and administration have been made. Many specialists have been recruited and the number of specialisms required to push rural developmental programmes has also been on the increase.

#### *Bureaucracy at the Central Level*

Both the Central Government and the states are deeply involved in rural developmental programmes, but the role of the Centre, primarily, is one of policy-making, determination of priorities, monitoring and evaluation, and provision of financial assistance. The Ministry of Rural Development is the nodal agency for rural development in the Government of India, but also involved are various other departments and ministries which, too, have their own programmes and schemes for people in rural areas. The Ministry of Rural Development is presently administering the various anti-poverty programmes, and its bureaucracy advises the states on all conceivable matters; one has only to see the official compendium "Important Circulars on Integrated Rural Development Programme" running into no less than 709 pages to judge for himself if any discretion is at all left to the states in tailoring the programmes to their local needs. This is a very striking feature of rural development—a very high measure of centralisation. Like other ministries, this ministry too is manned by generalist civil services, and the personnel need not possess any specialised experience or knowledge.

<sup>8</sup>The First Five Year Plan: A Draft Outline, *op. cit.*, p. 91.



### *State Level Bureaucracy*

As already mentioned, rural development is the direct responsibility of the state governments, and to this end each state has created an administrative machinery at the headquarters which is expected to lay down policies in the field of rural development to oversee their implementation, provide finances and act as trouble-shooter. However, in view of the immensely extended responsibilities of the centre in this field and the latter's detailed supervision and control, the personality of the states has suffered eclipse and indeed many of them are nearly acting as post office, content to receive instructions from New Delhi and transmit them to the district-level functionaries charged with the responsibility of implementation of rural development programmes. Nor are the personnel, occupying middle and senior level management positions in the headquarters, specialists in the area, and this particularly attracted the attention of Albert Mayer. He observed: "What is probably a heritage from British Indian practice—practice that may have suited government in a simpler way with simpler functions and objectives, but is not quite inadequate—is the idea that a man trained as an administrator can administer anything, without any special training or experience in a specific branch, and that he can readily shift from one job or one department to another without loss to the work. Both at the secretariat level and below, I have myself seen these constant shifts, with these disconcerting results:

- (a) The administrator himself is at sea and spends a large portion of his incumbency period in figuring out what his job really is about. He has during this large portion of his incumbency neither knowledge nor experience that he can fall back on and there is generally a period of stagnation and mistakes.
- (b) Due to this condition, the technical men, the operating people in the departments, become thwarted and cynical. They do not have the confidence in the secretary and the deputy secretary that is indispensable for good team-work. They often feel—and from my observation often rightly—that the secretary and the deputy Secretary do not supply a helpful channel to the minister, but constitute an encumbrance.
- (c) When these repeated changes take place, there is generally something of an upheaval for each administrator has ideas of his own. Many unpredictable changes take place which in the absolute are probably not often an improvement, but are more frequently harmful, because, the subordinates have to reorient themselves constantly.<sup>9</sup>

This long excerpt has been given to show a rather semi-primitive condition

<sup>9</sup>Albert Mayer, *op. cit.*, p. 60.



of the state-level bureaucracy in the area of rural development as perceived by a rural development expert of unquestioned repute. Though basic systematic changes in both the personnel of administration and its machinery are necessary, the least that can or must be done immediately is to have at least the deputy secretary, that is number two man, from the technical department and to give both the secretary and other senior officers in the department a longer term, say, of five years. Quick transfers of personnel introduces uncertainty in administrative actions, stalls the initiative and drive in the subordinates, and renders accountability meaningless. Equally important, the senior positions in the secretariat departments must be filled by men who have the right qualifications and orientations. Albert Mayer cited illustrations to prove that a particular post in the department was strategically important but was filled up in a way which no longer made it a 'helpful device'. This is how, according to him, the new job in the department of the development commissioner was filled up.<sup>10</sup>

India has had executed over 40 programmes of rural development since independence, beginning with the Community Projects Programme of 1952, but the most ambitious of all is the Integrated Rural Development Programme (IRDP) underway since the eighties. The IRDP subsumes the programmes relating to Smaller Farmers Development Agency, Special Livestock Production, Training of Rural Youth for Self-Employment and covers all the 5011 blocks in the country. The Programme is designed for the benefit of the rural poor, taking the family as the unit of development. In what follows, it is proposed to analyse this programme and its implementation by the career bureaucracy.

#### IRDP AND BUREAUCRACY

The blueprint of the implementation of the Integrated Rural Development Programme has been finalised by the Union Government in all its details and the state governments, as usual, have fallen in line with the master design with virtually no deviations and departures from the central prescription encouraged or even allowed. As is the case with many allied programmes, the IRDP is a highly centralised one and all details about it have been worked out at the level of the Central Ministry of Rural Development and the Planning Commission. The state governments have over the years become merely implementing organs even though the components of rural development fall under their constitutional jurisdiction in India. Such a level of centralisation prevents local adjustments, inhibits innovations and introduces uncalled for rigidity in the system.

The body made responsible for implementation of schemes and plans in rural development is the District Rural Development Agency (DRDA),

<sup>10</sup>Albert Mayer, *op. cit.*, p. 62.



which has as its head the district collector (except in West Bengal) and includes the various district heads of departments dealing with functional areas, such as agriculture, cooperation, animal husbandry, etc. In addition, DRDA includes a couple of non-officials and is, besides, equipped with a planning team consisting of an economist, a credit planning officer and a rural industries officer to undertake preparation of the plan, project formulation and implementation in respect of their sectors.

As the district collector has many responsibilities and as such cannot devote an adequate amount of his time and energy to rural development, a full time functionary, generally at the level of additional district magistrate, is made the executive officer, called project director, and made responsible for day-to-day functioning. Except for the team, all these officials have remained associated with the rural developmental programmes right since the days of the Etawah Pilot Project (1948).

An innovation made since the seventies was to bring all these concerned functionaries together under a single umbrella of an agency and get it registered as a society under the Societies Registration Act. This legal status seeks to enable DRDA to operate its activities flexibly and along commercial lines and to escape from the rule of lapse which is applicable to all departmental activities and under which funds remaining unspent by the end of the financial year lapse. What is even more important, the agency form of organisation is also calculated to build up cohesion and facilitate coordinated articulation of the programme.

Whether district collector should be associated with developmental administration or not is a question which has been debated since the days of the Bengal Administration Enquiry Committee (1945).<sup>11</sup> Both Gujarat and Maharashtra have, however, hived off developmental functions from regulatory ones and have set up an entirely new functionary—chief executive officer/district development officer—to look after the former set of functions. But other states have taken the view that developmental tasks would get more effectively performed by a close association of the traditionally honoured district collector with them, and accordingly have made him the head of the agency. Howsoever, highly an office is traditionally viewed by the citizens an excess load on it is apt to bring it under heavy stress and strip it of its supposedly magical potency; and precisely this has happened to the office of the district collector.

Besides, the member of the IAS appointed to this post is too inexperienced an officer having barely put in four or five years of service to command the cooperation and respect of other district level functionaries who possess vastly more experience and are older in age. What is even worse, he is subject to frequent transfers, his average stay being less than

<sup>11</sup>*Report of the Bengal Administration Enquiry Committee*, Alipur, Bengal Printing Press, 1945, pp. 19-20.



two years. With all such parameters within which he has necessarily to function, he is hardly in a position to provide meaningful leadership to rural development administration. The larger truth, today, is that he is not in a position to administer either the traditional regulatory affairs or even the newly acquired developmental ones with an acceptable level of efficiency. One has only to look at the state of village land records to get convinced about a general erosion of his efficiency.

Further, though one of the major motivations behind the setting up of an agency has been to curb departmentalism in the execution of programmes, the problem of coordination at the district level looms large with each functional department preferring to hoe its own row, an administrative behaviour reinforced in no inconsiderable measure by both development and democracy. Consequent upon a spurt in the developmental activities, many new technical services have been created and the technical officers are zealously assertive of their departmental independence. Also, as each department today functions under a minister accountable to the legislature, a deep-seated reverence for chain of command with evident dislike of comments and suggestions from other departments prevails.

Below the district exists the block set-up comprising the block development officer and various extension officers in functional areas with a number of village level workers at the tail end. The observations made about the district-level functionaries would be equally pertinent to the block personnel. The block level staff reflects all the weaknesses of the district level rural developmental administrative system. What is more, all these functionaries belong to the panchayati raj bodies, and as such the responsibilities in regard to IRDP, entrusted by the higher authorities, are often not taken as the first charge, thus getting a low priority. Even otherwise, in the absence of adequate goal-oriented control, supervision and guidance from above, the block-level functionaries inevitably bear the full blast of local pressures and are even more heavily politicised with close, continuous and intimate interface with local forces.

Though the office of block development officer is primarily one of coordination, some functionaries have not been placed under his jurisdiction and as such they deal directly with the former creating confusion in the latter's mind and lack of order in the administrative system. Touring by officials is neglected, and even when on tour they tend to ignore or overlook the poorer sections of the rural society. Besides, it is much more arduous to prepare meaningful programmes for the poor and assist them out of poverty.

The functionaries at the village level are the critical component of the rural administrative machinery, for it is here that the rural poor are identified and concrete projects, prepared to help them cross the poverty line. Yet it is this level which is having depleted and not-so-motivated staff. A block had ten VLWs under the Community Development Programme and 15-20





under in the IADP, IAAP and SFDA programmes. The IRDP programme is much more intensive but the number of village level workers is generally not adequate. When a new scheme is launched, new posts get added but at the supervisor level, resulting in the emergence of what may be regarded as a top heavy extension agency with poor complement of workers at the village level. What is more, land reform is universally accepted as crucial for rural development but the extension personnel have nothing to do with it in the area; this being the responsibility of the revenue hierarchy.

#### CONCLUDING OBSERVATIONS

The first problem encountered in anti-poverty programme administration is that of identification of the beneficiaries themselves. Rural statistics in India is notoriously poor and unreliable, and the list of the poorest prepared for providing benefits to them does not always comprise the poorest only. Politically motivated inclusions and exclusions are not rare and this vitiates the rest of the process of poverty alleviation in rural India. It is estimated that nearly 20 per cent of the beneficiaries come from better off groups but have been included in the list under pressure from the local MLA or MP. The next step is to prepare a custom-made outfit of assistance for beneficiary. This requires considerable planning with integrated backward, sideways and forward linkages. The rural bureaucracy has been found to be very weak in this respect.

Today, the extension spirit is very feebly and intermittently articulated in the developmental bureaucracy, which should be a cause of concern to the national level planners. Transfers at this level are too frequent with delayed replacements; inspection and supervision by higher level officers are perfunctory and the functionaries generally show a disturbingly high degree of susceptibility to local political influence. The morale and motivation of the personnel is low and they perpetually complain about unsatisfactory terms and conditions of service and lack of promotional opportunities.

A consequence of such a disoriented bureaucracy is poor execution of the programmes with considerable leakage and even downright abuse of public funds officially earmarked for them. A precise determination of corruption in rural development bureaucracy is not possible, but at present as much as forty per cent of the public funds are estimated to get absorbed by the hierarchy itself—a figure which does not take into account that part of corruption indulged in by the banking field staff, contractors, other local intermediaries and touts.

As already pointed out, a major shortcoming in India's rural developmental efforts is an extreme degree of centralisation with all its attendant ills; and decentralisation in the matter of planning and decision-making is an urgent need. Much has been written about the desirability of local level planning, and this must now become a reality so that resources and





assets created may carry some meaning for the local community.

Nor is the rural developmental bureaucracy being made accountable which admittedly is a part of the larger problem. Except in fiscal terms, the bureaucracy in India finds itself almost completely released from a sense of accountability; and a purely fiscal accountability could easily be made fictitious. As regards accountability to the people, it is a far, far cry. Paradoxical though it may appear, the people, for whom the programmes are meant, have no control over programming nor over the bureaucracy which administers these programmes. In such a context, little effort is directed, naturally, towards the building of local capabilities and local will.

The strategies, and approaches of rural development in India have been changing from time to time, but the bureaucratic system, the instrument of implementation, has remained more or less stable, notwithstanding changes in nomenclatures and matters of such kinds. This factor alone calls for efforts to keep the bureaucracy in good form and sensitive to its environment, implying due cognizance of the multiple environmental factors, such as stages of development, levels of education, social structure, etc. These get often overlooked. Thus, one comes across the spectacle of male dominated delivery system though the agriculture in a particular region (in certain hills) is practised by women; and family planning work is generally entrusted to urban unmarried boys and girls who simply cannot establish any rapport with the villagers.

Implementation is vitally linked with proper monitoring and evaluation. But this has not yet been done. It is equally necessary here to warn that an effective bureaucracy is not necessarily the one which merely prides itself over the fulfilling of targets of financial expenditure and of physical nature. Indeed, the target-obsession may lead to grave distortions in rural development administration. Take the case of planting of apple trees in the hill regions of Uttar Pradesh. If the officially released figures of the total number of apple trees planted in the hills are taken and an allowance made for mortality according to departmental norms, the total yield of this fruit would be many times the present one. The target obsession makes the concerned officials claim highly exaggerated achievements, and if only these get computed, India's villages must have been developed several times over.

An unintended effect of the government's programme of subsidies, loans and benefits has been the corruption of large sections of the rural community; a propensity towards over-dependence on the government has increased. This is not the end of the story. What has been done in the name of development since the introduction of planning has injected severe disabilities in the country-side. Many traditional occupations have ceased to be self-perpetuating and the gaps have already started to show, which is bound to disrupt the organic character of rural life.

Nor must search for alternatives to bureaucracy remain suspended,



*Shriram Maheshwari*

as at present. India has been experimenting with rural development through the bureaucracy for over three decades, and every programme has revealed a familiar pattern of bureaucratic neglect, defaults and distortions. The recurrence of such lapses leads one to believe that the bureaucracy is incapable of correcting its weaknesses. The plan strategy itself, perhaps, needs to be reviewed and the Gandhian model of rural development needs to be given more serious attention. Vinoba Bhave's efforts towards village uplift languished for want of adequate follow-up in his life time, but the abandoned trends could be taken up now. The prevalent strategies of rural development have failed to harness the inherent strength of the rural society while its weaknesses have received continual reinforcement through the combined pressures of the contemporary style of development and politics. □

## Integrated Rural Development Programme: A Dilemma?

Madhukar Gupta

IN RECENT months, a lot of interest has been generated in the press and among academicians, economists and planners regarding the poverty-alleviation programmes, more particularly the Integrated Rural Development Programme (IRDP). A large number of investigative studies have also been carried out recently by a number of institutions. This widespread interest is not surprising, because the IRDP is unique in many ways and never before has a programme of such dimensions and complexities been attempted in our own developmental effort and experience, nor has such a massive effort been made in any other developing country.

The resultant debate is both opportune and necessary as we move into the Seventh Plan period. For the same reason, it would have to be viewed with circumspection and a broad vision of past performance and potential of our economy in the foreseeable future, with specific reference to the disadvantaged sections of population. The observation, made more than two decades ago in a Planning Commission paper, by Late Pitamber Pant that "... such widespread poverty is a challenge which no society can afford to ignore for long... (and) the central concern of our planning has to be the removal of poverty as early as possible" would be an appropriate backdrop for discussion that follows, because the goal, conceived in a 15-year perspective ending 1976 in the same paper, is still found to be caught up in methodological controversies even at the end of the Sixth Plan and in the meanwhile poverty, as an absolute phenomenon, in all likelihood, continues to affect, as starkly as ever, anywhere up to 40 per cent of the rural population.

### SIXTH PLAN STRATEGY

Without quoting a host of statistical evidence about trends in respect of poverty ratio, the relative distribution of assets and household consumption expenditure, land concentration ratios, etc., which had led the Sixth Plan to start a series of direct measures aimed at poverty alleviation, I would only quote from *Approach to the Seventh Plan*: "The guide principles of the Seventh Five Year Plan should continue to be growth, equity and social justice, self-reliance, improved efficiency and productivity (and)



within this framework . . . there must be a sharper focus on employment and poverty alleviation." That this is not likely to come about through measures aimed only at sectoral growth is clear when in this document it has been observed : "the package of poverty alleviation programmes will continue at an accelerated pace in the Seventh Plan" and the Sixth Plan objective of reduction of the percentage of people below the poverty line to less than 10 per cent by 1994-95 "will continue to be the goal (which) . . . will require a large investment in the programmes aimed at giving self-employment and wage employment to the poorer sections of the community". The significance of this is greater because within the long-term target mentioned above, the Sixth Plan had also stated that the population below the poverty line would come down to 30 per cent by 1984-85, which apparently has not materialised. The fault would evidently be at both ends, viz., inadequacy of the growth rate actually achieved and shortfalls in the achievements expected from the special redistributive and poverty alleviation measures. It is evident, therefore, that a separate focus towards the disadvantaged sections of the community would have to continue. The question would arise as to what should be the total strategic content and what kind of programmes should form part of such a strategy.

The Sixth Plan had envisaged a three-pronged strategy involving *inter alia*: (i) increase in the incomes of the rural poor through measures for creation of productive asset-based self-employment opportunities, and supplementary wage opportunities for those who are largely assetless; (ii) development of ecologically disadvantaged areas where availability of employment is limited and poverty more widespread and intense; and (iii) provision of basic material needs and social consumption facilities to improve the quality of life, particularly of the poor.

In a sense, there was nothing new about this strategy because, in terms of different segments of planned activity, each component had been there at least from the early or mid-seventies. The crucial difference was in respect of the view taken in the Sixth Plan regarding the first component and the fact that an integrated package of programmes was provided, a target and time-frame was determined and, substantial resources were set apart.

The main programmes which aimed at the disadvantaged groups prior to the Sixth Plan were the SFDA and MFAL. Some of the significant aspects of these programmes, as brought out in the Sixth Plan document, are that they had a limited area spread (1818 blocks), sectoral focus was limited to the primary sector and the beneficiary coverage, by and large, confined to persons with some land holding, and the investments had not resulted in adequate additional asset creation with 6.1 million out of the total 8 million beneficiaries having been assisted to get agricultural inputs, implements and demonstrations, etc. The idea of Integrated Rural Development which was first mentioned in the Finance Minister's Budget speech in 1976, had been developed into a Plan concept in the Draft Sixth



Five Year Plan (1978-83) when it was decided that the existing SFDA/MFAL/DPAP/CAD will be provided a wider focus and the Programme of Integrated Rural Development (IRD) aimed at full employment, with special emphasis on the target group through the Antyodaya approach, would be gradually extended at the rate of 300 new blocks per annum so as to cover 3500 blocks by the end of the Plan period.

During Sixth Five Year Plan (1980-85), in the context of the long-term poverty reduction projections for 1994-95, the IRDP was extended to the whole country (5011 blocks at that time) in the form of a scheme for productive skill (through TRYSEM) and asset endowment to the rural poor who were to be identified by a poverty line based on a monthly per capita income, linked to a minimum caloric intake. In addition, a large National Rural Employment Programme (NREP) to provide wage employment opportunities, particularly to that segment of the rural poor who are without assets, was launched to supplement the IRDP as a part of the wider strategy mentioned earlier.

A target of assisting 15 million households under the IRDP, through a mix of government subsidies and institutional credit, was fixed for the Sixth Plan, and this was intended to be done in such a manner as to provide self-employment opportunities to a substantial number of families in activities outside agriculture, also [it is aimed to cover 33 per cent of families in the Industries Services and Business (ISB) sectors]. The task was indeed massive, and in a sense even over-optimistic. Numerous studies carried out on the subject show that not more than 30-40 per cent of the families assisted may have been able to go across the poverty line, a large proportion of these would be from amongst those who were already very close to that level, and that a fairly high percentage of families assisted were ineligible to begin with. In this background, doubts have been expressed about the efficacy of this whole approach and suggestions have been made either to curtail it drastically or even to substitute it by a concentrated thrust on the provision of wage employment opportunities.

#### SOME FINDINGS ABOUT THE PROGRAMME

##### *Some Limitations*

Apart from relatively low rate of success of the programme in terms of number of households assisted going above the poverty line, other important findings of the various studies are given below. Before we go into these, however, it may be mentioned that some major studies have drawn their conclusions about the additional income accrual to the beneficiary households in terms of current prices, which would mean that the absolute rate of immediate post assistance income accrual would have



been substantially higher:

1. The percentage of wrong identification has been between 3 to 30 per cent in different states, a higher percentage being noticed in many areas where the local people and institutions were not involved meaningfully in the selection process. This can be said to bring considerable distortions in the programme, limiting its potential to achieve wider objectives.
2. The level of assistance provided was very low—particularly in the context of the poorest amongst the poor, who would have a wider income gap—and would not generate enough additional income to push such households above the poverty line. In such a situation, even if there were some income increases immediately, the households could easily relapse into poverty and may, in any case, not be able to pursue the concerned activity as a main occupation, which, particularly in the case of the landless, could easily lead the beneficiaries into indebtedness.
3. According to certain studies, the capital output ratio of 1.5 : 1 assumed in the Sixth Plan was unrealistic and a ratio of 3 : 1 would be more realistic, with different activities having an ICOR ranging from 1.28 to 5.10. The implications of a higher ICOR would obviously relate to a higher per capita investment requirement.
4. A tendency was observed all over the country to concentrate attention on animal husbandry, particularly milch cattle. In a large number of cases, where the beneficiaries may have been near the poverty line, this resulted in a relatively higher rate of success. But, in a majority of the cases of the poorer beneficiaries, assistance in this sector was found to be prone to leakages and even unproductive because of poor quality of animals, low yields, and absence of support structures for feed, health cover and marketing. In the ISB Sector, which was intended to account for 33 per cent of the total coverage, there had been a preference for petty business activities rather than productive industrial and service ventures. While such assistance could lead to immediate increases in income, which was preferable both to the beneficiary and the banks, the life of such investments was found to be short and permanent and lasting assets were not created.
5. The Sixth Plan had adopted a household approach, which would also have meant provision of a package of activities to each identified family under the IRDP. However, this approach was generally not adopted.
6. Many of the above mentioned problems were found to stem from inadequacy of staff both at the block and district levels and lack of coordination between the District Rural Development Agency



(DRDA), the Block and other departments, which caused bottlenecks in preparation of proper household surveys and plans, and development of Perspective and Annual Action Plans to reflect a balanced mix of sectoral priorities based on local needs and resource availability.

7. A vital constraint brought out uniformly relates to absence of backward and forward linkages which limits the productive potential and the absorption capacity in respect of assets endowed. It has also been brought out that the sheer volume of asset endowment could easily lead to constraints in respect of productive absorption of the output in the economy, and could thus become counter-productive.
8. Serious problems have also been encountered in the flow of credit, even though in quantitative terms it may reach the Rs. 3,000 crores level, as envisaged in the Sixth Plan. Some of the important problems noticed in respect of credit flow are:
  - (a) Poor staffing in bank branches which has resulted in delays in disposal of loan applications, insufficient scrutiny leading to sub-optimal projectisation and, inadequate follow up of the loan cases;
  - (b) Insistence on security, in spite of instructions that it will neither be demanded nor accepted for loans up to Rs. 5,000 under the programme, which has not only affected the credit flow but has also diverted it towards those who are relatively better off; and
  - (c) Prescription of unrealistically short loan repayment schedules, leading to defaults in repayment and inability on the part of the household to use it productively.
9. Some important limitations of a wider nature have also been brought out which include the following:
  - (a) Uniform physical targets had been prescribed (600 beneficiaries per block per annum) which in certain cases has led to a very wide and thin spread of benefits and even selection of wrong beneficiaries in areas where the poverty ratio is not large enough to match the physical targets.
  - (b) Similarly, outlays under the programme have been made on a uniform basis per block without having regard to its size, population and incidence of poverty. As a result, the programme did not have any meaningful relationship with the spread of poverty which varies widely from 12 per cent in Punjab to 69 per cent in Orissa, according to the NSSO Survey of 1984.



### *Some Gains*

Before we go further, some positive features brought out by the various studies could also be usefully looked into.

Even if all the beneficiaries have not been able to go above the poverty line, between 50 to 90 per cent of them have registered income increases in varying degrees. The number of earning members in many of the assisted households has increased. The period of employment per month has gone up. In some areas, there has actually been an impact on the occupational structure, e.g., in the Surat district of Gujarat, a new class of workers depending upon animal husbandry, accounting for 51.4 per cent of the total workers, has come into being as a result of the programme, as discovered by the South Gujarat University study. A preliminary evaluation of the programme made by the Programme Evaluation Organisation of the Planning Commission (in September 1981) also brought out that the scheme was gradually establishing itself in the rural areas and most of the beneficiaries were receiving benefits in the form of additional family income.

It would also be relevant to observe that most of the studies conducted so far have had a reference period covering the first two years of the Plan, when the programme was really in a nascent stage; it was launched in its present form only on October 2, 1980. The fact that a beginning had made in 1978-79, which often makes people say that the programme is now seven years old and, also that the SFDA had been in operation even before that, would not affect the validity of the proposition stated above. It has to be realised that the IRDP is very different from the SFDA and, in any case, right from the beginning it has covered more than double the number of blocks covered under SFDA. In fact, wrong identification in the earlier years (this has been considered as a major criticism of the programme) could, to an extent, be attributed to the fact that lists of identified beneficiaries for the SFDA were available. In the light of the fact that land-holding was an effective indicator for identifying the target group under that programme, it obviously left considerable scope for distortions in income terms and also according preference to those who are relatively better off in the poverty group.

Over the years, the administrative machinery has been considerably strengthened through a Centrally sponsored scheme which seeks to provide a full team of functionaries at the block level and a Planning and Monitoring Cell at the State level, and the people and the implementing agencies alike have begun to understand the programme and much of its complexities. The average investment per household has increased from Rs. 1,642 in 1980-81 to Rs. 3,178 in 1983-84. In terms of the beneficiary-coverage target and financial allocation target of Rs. 600 and Rs. 8 lakhs per block respectively, this would appear to be the maximum limit of investment that can be achieved, because the average subsidy per household, net of expenses for administration, infrastructure, etc., would amount to around Rs. 1,000 only, which





could attract an average of Rs. 2,000 as credit with the prevailing credit-subsidy ratio of 2 : 1. Viewed as such, the current low level of investment should not necessarily be viewed as a failure of the programme or the programme implementing agencies. Finally, it would have to be remembered that the programme was extended to the whole country without adequate preparation and detailed exercises about the required project investment and ICOR levels leading to distortions in projected returns and impact and in a substantial mis-match between physical targets and financial outlays.

#### AN APPRAISAL OF THE STRATEGY: SOME ISSUES

The weaknesses brought out in various studies, and the validity and effectiveness of the approach that is reflected in the IRDP, have to be viewed in the backdrop of the foregoing review. It would thus be evident that apart from lack of preparedness of the delivery mechanism (which undoubtedly cannot be taken for granted), the biggest stumbling block of the programme has been the unrealistic level of household investment, which even with the best of delivery would have had limited potential, and with weaker systems could, in fact, leave the way wide open for misuse and even misappropriation.

Although it is not really possible to assume a uniform ICOR for the programme, because each activity would have a different ICOR, it is widely felt that for macro formulations, an ICOR of 2.5 to 2.7 would be reasonably realistic. This would mean that the average per household level of investment would have to be substantially higher at around Rs. 6,000 to 7,500, or more than double the level achieved so far in the Sixth Plan.

The vital question would then arise: Can the poorest of the poor absorb this investment? Many would straightway answer in the negative. Herein, comes the question of subsidies, a term increasingly becoming repugnant to many, though often only when it can be traced to a household. While the need to gradually break away from the subsidy culture is too obvious to be denied, yet if the poor have to be provided with productive self-employment opportunities, this will continue to be necessary as margin money support for some time to come. In fact, we may have to go a step forward and even review the subsidy levels, as in certain cases these may actually have to be higher than the present levels. The prevailing subsidy levels were originally adopted under the SFDA/MFAL where the beneficiary classes were linked to status in land holding rather than to levels of income. The same subsidy for households in the 'very very poor' (incomes up to Rs. 1,500 per annum) and even the 'very poor' (incomes between Rs. 1,500 and Rs. 2,500 per annum), categories would evidently not stand the test of financial logic.



### *Raising Absorptive Capacity of the Poor*

In addition to a review of subsidy levels, certain other steps would also be necessary to increase the absorptive capacity of the poor and strengthen their receiving mechanisms as follows:

1. As mentioned earlier, the banks have often prescribed unrealistically short repayment schedules. In fact, it has even been noticed in some areas, that wherever a second animal has to be provided in a milch cattle project, there is insistence on repayment of the loan for the first animal, thus making a virtual farce of the whole idea of a viable project. In the context of the poorest among the poor, there would be need to have a relative long project financing period, with longer repayment schedules, and perhaps, even an element of moratorium, e.g., in the case of milch animals, a second animal could be provided after six months and repayments started only after that, within a schedule of at least 5-7 years. Further, if project financing has to be conceived in a manner, which can provide for continuous development of the assets endowed, the concept of a Cash Credit Limit (CCL) may also have to be developed for IRDP loanees. Such a concept could, in fact, promote regular contact between the bankers and the beneficiaries, and create an in-built element of supervision and follow up.
2. Adoption of a total household approach, whereunder more than one small schemes can be given to a household over a period of time, could help to build up its asset base and absorption capacity gradually. A multi-asset scheme under the IRDP has been started by NABARD in Bihar. This could be usefully replicated elsewhere. In fact, such an approach may have to be widely followed as a follow up of the investments already made in respect of a sizeable number of households in the Sixth Plan, to ensure that they do not actually have to be written off. Such supplementary assistance to some Sixth Plan beneficiaries would have to be viewed as an integral part of the programme in the Seventh Plan.
3. Another way of strengthening the absorption and productive capacity of dispersed and isolated small producers, would be through the adoption of the group approach on a significant scale. This could be conceived in terms of cooperatives, registered societies, and even informal groups working on the basis of individual ownership, group guarantee and common use of forward and backward service linkages. Such groups could be organised at identified focal points in areas of spatial concentration of similar activities; or in the form of production estates developed at the sites of new housing clusters developed under the Rural Housing Programmes; or, as linear clusters, e.g., in the form of cooperatives linked to milk routes; or



even in the form of organisation of common services for agricultural operations on small and marginal holdings or allotted lands to be brought together through limited consolidation operations. Some useful lessons, in the context of the Group Approach may also be available from the Small Farmers, Development Programme of Nepal.

These approaches, in fact create an immense potential for innovative efforts under the programme, and if adopted would disprove a common criticism that there is no flexibility in the guidelines. It also shows that an organisation like NABARD would have to work in close collaboration with the state governments to develop different alternative models and packages, and also to work out appropriate modes of assistance for different classes of beneficiaries. Given the will and capacity to build upon these possibilities, even the poorest among the poor can be helped and even enabled to absorb the assistance.

4. Other ways of strengthening the receiving mechanisms of the households in the lower dociles of the poverty group would be by bringing in greater integration with the other sub-components of the total package. Primarily, this would relate to redistributive land reforms and the special wage employment programmes.
  - (a) Ironically enough, a separate scheme has been continued even in the Sixth Plan for providing an outright grant (now Rs. 2,500 per ha.) for land development to the assignees of surplus ceiling land, which is often routed in the field through the revenue agency and not the DRDA. Ordinarily one would have expected that with a programme like the IRDP is in operation, land allotment would be viewed as the first step in the process of productive asset endowment, to be followed by credit-linked assistance to develop it. Not surprisingly, the progress of expenditure under the above scheme has been very poor. In the process, however, a chance to view certain land reform measures as a core of the asset endowment programmes has not been utilised. A vast army of the landless poor could be covered if this approach were to be adopted as an integral part of the total IRDP methodology, and in the process, agriculture production could also be increased substantially.
  - (b) As for wage employment programmes, they can be viewed in three ways—either as an integral part of the anti-poverty strategy or as special measures to promote employment opportunities in certain areas in times of calamities or as continuous programmes for asset creation with the important added objective of widening wage employment opportunities. Let



us now view them in the first of these ways. On the face of it, these programmes would appear to be supplementary (which does not necessarily imply a secondary status) to the asset endowment programmes, where they would serve to provide additional income to the assetless poor who may have been provided with productive assistance under the IRDP or are otherwise marginal asset holders, to help them meet their consumption requirements as also in the better management of the asset endowed, or else as a means of providing income for sustenance to those assetless poor who may not have been approached at all. The assurance of 100 days employment to at least one member of each rural landless household (as distinguished from a guarantee for the right of work to all wage seekers) provided under the Rural Landless Employment Guarantee Programme, started as an expansion of the NREP in 1983-84, would also point to this. Viewed as such, if a convergence could be brought about in the beneficiary clientele of the IRDP and the Special Employment Programmes, the absorption capacity of the assetless poor could be considerably enhanced.

- (c) The Minimum Needs Programme, although very much a part of strategic package, does not really have any specific target group so far. Conscious direction of certain services, primarily those aimed at Human Resource Development, viz., health (immunisation, MCH and family welfare), education (enrolment, prevention of drop-outs and adult literacy), nutrition, housing for the rural landless, together with certain additional components, like energy for domestic fuel (as distinguished from electrification), sanitation, etc., could be viewed as a Basic Needs Package (BNP) and given a specific direction towards the target groups. This would help considerably in strengthening the overall capacity of the poor to participate in productive economic activity.

### *IRDP and the Rural Economy*

The next important issue relates to the capacity of the economy to absorb both the investment and the output.

Given the fact that the net investment per household may have to be anywhere between Rs. 6,000 and 7,500, in order to be productive, and also that finances for establishment and infrastructure (currently 10 per cent each of the overall outlay), may have to be provided separately,<sup>1</sup> finances to

<sup>1</sup>In the report of the Expert Group on Programmes for Alleviation of Poverty, Planning Commission, Government of India, 1982, it has been suggested that funds equivalent to 20 per cent of the outlays should be provided for services support.



the tune of 3 to 4 times of the Sixth Plan outlays may be required to sustain a programme of the same physical dimensions in the Seventh Plan. Assuming the requirement so determined to be around Rs. 5,000 crores, it would be only 2.8 per cent of the Public Sector outlay of Rs. 1,80,000 mentioned in recent times in the context of the Seventh Plan. Quite apart from the negligible level of relative outlays as compared to the impact sought to be attained, it would also be almost self-evident that given the cost and time over-runs in major capital projects, the current Plant Load Factor (PLF) in power plants coupled with theft and distribution losses of power, the unutilised potential in major irrigation projects, etc., no major trade-off between capital accumulation and distribution would really be involved.

Another equally important issue relates to absorption capacity of the economy in relation to the output of IRDP projects in terms of demand and marketability. There has been criticism on this point. The relationship between the IRDP and the rural economy could, in fact, be viewed here in a somewhat wider sense, which would also comprehend the effects of the programme in terms of its capacity to result in net asset creation and/or value addition in the economy.

Viewed thus, the issue would really pertain to choice of schemes. With the emphasis of the IRDP on the animal husbandry sector in the Sixth Plan, it has often been dubbed as a "cow and buffalo programme". In the process, decrepit animals have been traded at high costs and often just gone round and round, and even good animals have been known to lose their yield both in terms of milk and money because of inadequate feeding or lack of marketing support. Somewhat similar problems, stemming largely from lack of support services, have been experienced in activities in the ISB Sector, where for this and various other reasons, there has been a tendency to concentrate on small business. Even in the secondary sector, loans have in some cases been given as one-time working capital assistance, which may temporarily break the strangle-hold of the middle man but does not guarantee self-sustenance or even net value addition.

While all this has been observed and commented upon, few have really cared to see whether all this is inevitable and inescapable, or whether better results were possible. Even today, one could draw a long list of old and new schemes which are aimed at substantially the same target groups, but often with differing parameters of assistance, which continue to operate as a part of the sectoral plans without much reference to their impact, in terms of duplication, and more importantly, in terms of crowding the rural economy with the same activities. The standard logic, that these are production programmes while the IRDP is a beneficiary oriented poverty alleviation programme, has not only continued to justify an independent entity for such schemes, but has actually led to their continued proliferation. There are others under which subsidy and assistance is provided and could be squarely directed towards the target group, which is not happening now. What



comes out dangerously is that if sectoral plan formulation continues with the logic mentioned above, the IRDP could actually drift towards a complete welfare orientation.<sup>2</sup>

A few instances would suffice to bring home the point:

1. While unsatisfactory identification of beneficiaries under the IRDP was being criticised<sup>3</sup>, the apprehension that because of the Antyodaya approach of the IRDP, the Small and Marginal Farmers may be left out, led to launching of massive programme for assistance to Small and Marginal Farmers, which provides Rs. 5 lakhs per block (as compared to Rs. 8 lakhs per block under the IRDP) for assistance (on the IRDP pattern) for minor irrigation, farm forestry, and mini-kits. Apart from the inevitable problems in implementation, since this programme functions under separate guidelines from a separate department (Agriculture), it also took away, at one stroke, a host of primary sector activities from the ambit of the IRDP without changing the definition of its target group.
2. A massive Operation Flood II programme has been in operation in the animal husbandry sector which is likely to cover over six million families in the Seventh Plan and it is understood that similar arrangements in non-Operation Flood II (OF-II) areas are being proposed through the normal sectoral plan. The Expert Group on Programmes for Alleviation of Poverty had recommended that 75 per cent of the families chosen for the special package of assistance under OF-II should be from among the landless poor. Such an orientation would have automatically provided the entire gamut of support services, the absence of which vitiates the IRDP in considerable measure today. Moreover, such an arrangement would sustain a coverage larger than even 30 per cent of the 15 million IRDP beneficiaries under the milch cattle programme alone. Evidently, the bane of the programme so far could easily have been its biggest strength, with only a slight shift in the focus of sectoral departments and programmes in a direction which has otherwise

<sup>2</sup>See the following observation made by the Late Prime Minister, in her address to the Institute of Economic Growth, Delhi:

Planning was chosen as a method to attack the problem of poverty (which) . . . is the most degrading experience of human existence . . . Hence, our special Programmes designed to meet the problems of the poor . . . the rationale of (which) is not charity, not providing temporary relief or doles (but) strengthening the productive capacity of those who today produce very little.

<sup>3</sup>The Mid-Term Appraisal of the Sixth Plan says: "... although IRDP requires that the beneficiaries should be selected from the poorest groups, in quite a few states a sizeable number of the beneficiaries selected belong to the category of small and marginal farmers."



been given overwhelming importance in Plan (as distinguished from planning) priorities.

There are other target group oriented schemes in this sector for distribution of poultry, ducks, sheep, etc., which are also apparently in the nature of duplicatory programmes when seen along with the IRDP.

3. Within the programmes of the Department of Rural Development itself, different unit-cost norms have persisted under some schemes under the Special Livestock Production Programme (SLPP) and the IRDP and one actually hears of relative preferences being expressed for 'DRDA assistance' as compared to 'SLPP assistance'.
4. In the ISB Sector which has experienced dearth of productive schemes, the Khadi and Village Industries Commission (KVIC) which was asked to cover 50 beneficiaries per block each year from 1981-82 has not been able to achieve even 10 per cent of this target, because of difficulties in identification and linking of target group families with KVI projects. Programmes of the District Industries Centres are also operating which have the same target as the IRDP in terms of occupational classification, but the rates of subsidy are different and assistance is available separately for capital expenditure on equipment and shed construction, and for margin subsidy, unlike the one time capital subsidy with a ceiling of Rs. 3,000 under the IRDP.
5. A number of new schemes have been suggested in other sectors, e.g., in the non-conventional energy sector, massive programmes are proposed, for installation of bio-gas plants on a vastly expanded scale, improved chulhas, etc. Instead of having separate training and subsidy programmes for them, they could easily be enmeshed with TRYSEM and IRDP and production and service ventures could perhaps be promoted on a large scale through the ISB Component of the latter.

In short, the possibilities for choice of schemes under IRDP are immense, even within well-defined sectoral priorities, but only if the whole issue is dealt with in a collaborative manner rather than in a competitive spirit.

On the other hand, the belief that infrastructural support for the IRDP would come mainly from the sectoral departments, has not really materialised.

The foregoing discussion would *prima facie* show that there is scope to plan, for sectors relevant to rural development, within a framework, where target group oriented activities should be taken up primarily under the broad umbrella of the IRDP, with patterns of assistance dictated by the requirements of viability for each type of scheme. The major pre-occupation of the sectoral departments should be on what could then really be with productive activities pertaining to development and upgrading of assets



and product quality, research and technology development, and provision of infrastructure support. For the disaggregatable elements of these activities which can be directly linked with the target group schemes, the sectoral plans could then be required to have anti-poverty sub-plans on the lines of the Special Component Plan (SCP).

### *Composite Rural Infrastructure Support*

In this framework, some activities relating to institution building for supply of inputs/raw materials, marketing, technology, dissemination and training, etc., and the provision of common infrastructure facilities, like communications, electrification, etc., would have to be common to both sets of activities and provided in the context of decentralised spatial planning. For this, if one may use a 'CRISP' jargon, an attempt could be made to develop what may be called a Composite Rural Infrastructure Sub-Plan.

It would be seen from this discussion that if we are willing to view the IRDP in a wider perspective, as indeed the Approach to the Seventh Plan has also stressed, then it is not only possible to implement it successfully, *per se*, but together with the special Employment and Area Development Programmes, it really provides the nucleus, and in fact the starting point, for decentralised planning which we have been struggling unsuccessfully with for years now. An observation of Dr. Nilkantha Rath, in his recent T.A. Pai Memorial Address, which compared the full employment approach of the IRD of the Draft Sixth Five Year Plan, to the limited and purely beneficiary-oriented approach of the IRDP as implemented in the Sixth Plan, is relevant here, with the difference that perceived along with all the linkages that must be provided to make it successful, the IRDP has similar implications and, indeed must have, the same imperatives.

As already mentioned, steps have been taken in the Sixth Plan to strengthen the administrative machinery, and at the block level alone over 20,000 additional posts have been sanctioned. But many of these measures could really be called efforts in the nature of patchwork, unless the whole machinery is geared to provide the desired inter-sectoral integration and coordination, particularly at the district and the block level, and is viewed as a part of a larger delivery mechanism involving public participation, voluntary action, and most importantly, the participation of the beneficiary groups themselves. The subject is too wide to be dealt with here. But it is heartening to note that the question of a review aimed at strengthening and reorganisation of the whole administrative machinery for rural development is under consideration at the higher planning levels. A number of steps for providing institutional linkages, inter-sectoral integration at the planning stage itself, and for the involvement of the people through local institutions, voluntary agencies and organisation of the poor, are being considered.





IS THERE A DILEMMA?

All these are a direct result, primarily, of the assessment of the first four years' experience of the IRDP. It would be an irony and more so, a setback, both to the planning process and popular aspirations if—just when the programme, its planning and implementing agencies and its receiving mechanism are getting ready and geared for the take-off—the programme itself, due to its early failings, should find itself stranded at the cross-roads and not know which way, and how far, to go. Can there be a doubt that when it comes to developing human beings, within a shared perception of the “Programme-Technology-People” complex, it cannot be an act of a magician? It does take time—wisdom lies in that. ☐

# Evaluation of Rural Development Programmes: Criteria and Methodology

A.P. Barnabas

IN EXTENSION Education, particularly in the area of programme planning, evaluation has been a basic and a growing concept. Its dimensions have widened over the years and, as Caro puts it, "evaluation research is not new but nevertheless an increasingly robust enterprise".<sup>1</sup>

Evaluation can be defined as a systematic assessment of progress—progress being intervention to guide innovation in a particular direction. It would, therefore, be obvious that "adequate assessment of existing and innovative programme can be a vital force in directing social change . . .".<sup>2</sup>

"Evaluation aims to determine whether the project objectives set in terms of expected output effects and impacts are being or will be met. This leads to an assessment of the results achieved and the lesson to be drawn for future improvement in a later phase or in a similar project elsewhere."<sup>3</sup> There are a large number of definitions which tend to be variations of the above.<sup>4</sup>

The basic factor in evaluation is that it refers to measurement of deliberate intervention particularly in the context of rural development programmes. For evaluation to be effective, it has to be systematic, *i.e.*, based on a scientific method—"evaluative research is the use of scientific methods for collecting data concerning the degree to which some specified activity achieves some desired effect".<sup>5</sup>

The purposes of evaluation are implied in the definition. These can be spelled out as follows:

- (a) to determine progress;
- (b) to determine the distance travelled in a given time towards

<sup>1</sup>Francis G. Caro, *Readings in Evaluation Research*, New York, Russel Sage, 1971.

<sup>2</sup>*Ibid.*

<sup>3</sup>D.J. Casley and D.A. Lury, *A Handbook on Monitoring and Evaluation of Agriculture and Rural Development Projects*, Washington, The World Bank, 1981.

<sup>4</sup>"The procedure by which the programmes are studied to ascertain their effectiveness in the fulfilment of goals." Greenbird (1969).

<sup>5</sup>"The determination of the results attained by some activity designed to accomplish some valued goals or objectives"—Suchman (quoted in Caro, *op. cit.*).

<sup>6</sup>Edward A. Suchman, "Evaluating Educational Programs".



- organisational goal in relation to the total time set for such achievement;
- (c) to determine the shortfalls and the reasons thereof, *i.e.*, to judge the efficacy of methods; and
  - (d) to provide guidance in the execution or planning of future activities.<sup>6</sup>

#### TYPES OF EVALUATION

By and large, evaluation has tended to refer to 'ex-post facto' analysis. Naturally, this has raised questions regarding the utility of findings of such an approach. The argument has been that it is difficult to conduct an evaluation of an on-going programme and that the conclusions would provide guidance for future programmes. While the 'ex-post facto' remains the major approach, other approaches are also being adopted increasingly. Often there is an effort to determine the possibility of acceptance of intervention, *i.e.*, to analyse objectives, methods to be used, possible response of intended beneficiaries, resources available, implementation process, etc. Such an approach is termed 'feasibility' study. Its major purpose is to indicate the extent of success that may be achieved and bottlenecks that may be encountered.

The 'concurrent' approach refers to evaluation techniques used in on-going programme—some of which may be 'action-research' programmes. Usually, in this approach the aspect of 'evaluation' is built into the programme. There is a regular periodic assessment of progress which is analysed and, if need be, corrective action taken. Though various aspects dealt in this article refer to a large extent to 'ex-post facto' approach, yet substantial part of it will also be relevant to 'concurrent' evaluation.

#### CONTENTS OF EVALUATION

Evaluation is concerned with accomplishment and impact. Various dimensions of a programme will have to be covered if a comprehensive assessment is intended. Such an approach would be relevant in the 'ex-post

<sup>6</sup>The Programme Evaluation Organisation of the Planning Commission in India has the following objectives:

- Keeping all concerned apprised currently of the progress being made towards accomplishing programme objectives;
- Pointing out those extension methods which are proving effective and which are not;
- Helping explain why some recommended practices are adopted while others are rejected; and
- Furnishing insights into the impact of national extension and community development programme upon rural economy and culture.



facto' model. But in the concurrent model, it would be necessary to delineate, through a careful analysis, key elements or indicators which would provide the necessary data for decision-making.

One approach is to consider the following four areas in evaluation: (1) Effort (the amount of action), (2) Effect (result of the effort), (3) Process (how effect was achieved), and (4) Efficiency (factors in relation to cost).

Another approach spells out factors to be studied in more detail and suggests the following: (1) Policy and objectives of the programme, (2) Specific activities, (3) Implementation systems, (4) Personnel policy, (5) Operating methods and procedures (including communication), (6) Time element, and (7) Cost.

It would be necessary to study specific aspects under each of these items. However, it is not possible to suggest the specific areas for all of them in this brief article.

The questions that need to be investigated to evaluate policy and objectives could be the following:

- Is the policy clearly defined?
- Can the policy be operationalised in terms of action programmes?
- Is the policy in keeping with the general aim of rural development?
- Has the policy taken into consideration the resources available?
- Is the policy dynamic, *i.e.*, can it lead from one level of achievement to higher levels of achievement?

Similarly, detailed questions would have to be formulated for each of the above items.

#### INDICATORS

One of the most difficult aspects of evaluation is to develop measureable indicators. In India, most of the evaluation studies have approached the problem from the viewpoint of achieving of set targets of the programmes or project. Therefore, they have mostly used performance indicators. Perception and participatory indicators have been occasionally used, particularly in those programmes where attitudinal changes are necessary. The indicators chosen in terms of such target are usually quantified. The indicators to measure a programme are hence derived from the specific goals and objectives of the programmes. They are operationalised in terms of specific questions.<sup>7</sup>

<sup>7</sup>A.P. Barnabas and M. Lakshmiswaramma, "Assessment of Evaluation Systems for Rural Development" in Kuldeep Mathur and Inayatullah (eds.), *Monitoring and Evaluation of Rural Development: Some Asian Experiences*, Kuala Lumpur, U.N. Asian and Pacific Development Centre, 1980.



There are two models of evaluation which have been suggested by Schullberg and Baker: (1) Goal attainment model, and (2) The system model.<sup>8</sup>

The goal attainment model starts with initial goals setting and collects data to measure the achievement. Modifications are made on the basis of the data gathered (if necessary). The approach in India generally tends to be based on this model. The 'system model' is more comprehensive and takes into account aspects of coordination, resources, organisational flexibility, in addition to achievement of goals. This is a holistic approach and hence may be more relevant for evaluating rural development programmes, particularly from sociological perspective.

From this point of view, one may consider the indicators suggested by Casley and Lury<sup>9</sup> as a starting point. They are: (1) Output indicators, (2) Economic indicators, and (3) Quality of life indicators.

In most rural development projects, outputs are expressed in terms of production—crops, livestock, fish, forestry, etc.

The indicators in such a situation tend to be clearly defined—numbers, acreages, yield, volume, etc. These indicators could be quantified, but the problems involved in quantifying and measuring cannot be underestimated.

The economic indicators have generally been considered in terms of income. With the increase in production, an increase in income is anticipated. However, an accurate definition and measurement is rather difficult. Data on products marketed may be obtained but amounts kept for home consumption would be difficult to calculate. In most Third World countries, particularly among the small farmers, no systematic record is maintained. Such a situation makes it difficult to assess accurately the net income. Net income would have to take into consideration expenditure. The problem here would be to calculate for stored seeds, labour of household members, borrowed implements, etc. Maybe, these would have to be considered as constant in calculating the income. The economic indicators, being concerned with concrete factors, are easier to be quantified.

To develop quantitative indicators to measure the quality of life is more problematic. The choice of indicators of quality of life is even more difficult as the very concept is vague.<sup>10</sup>

Among the factors that are taken into consideration are food consumption, health, education, life expectancy, ownership of goods, etc. In evaluation, the assumption would be that intervention would result in improvement in all these factors, i.e., intake of food, expenditure on health, education, accumulation of goods, etc. While the measurement of the calorie intake is difficult in itself, to measure any change would require base line data

<sup>8</sup>Schullberg and Baker, "Program Evaluation Models and the Implementation of Research Findings", Caro, *op. cit.*

<sup>9</sup>Casley and Lury, *op. cit.*

<sup>10</sup>*Ibid.*



which are rarely available. Hence, in planning the programme which includes evaluation, an effort at having a bench-mark survey of the indicators to be measured would be necessary. The alternative would be to depend on the information of the respondents, and their perception of the change in nutrition intake or expenditure on health, etc.

There can be indicators that provide qualitative information too. Many of the projects aim at behavioural changes among beneficiary groups. The objectives of an extension programme may range from changing the levels of knowledge to skills used in farming. "To measure such changes, specific tests through questionnaires may have to be constructed in order to show what success is being achieved in this regard. Values of measures on these tests may become indicators of behavioural, attitudinal or knowledge change."<sup>11</sup>

The indicators suggested above refer to consequences of intervention. If there is greater output, a higher income, increased expenditure on health, etc., it would be assumed that the intervention has had the desired effect. It is also possible that the consequences may not have resulted in improvement of the situation. In either case, the process of intervention, the policy, activities, inputs, personnel, and the environment have to be taken into consideration. The findings of evaluation of either success or failure should provide guidelines both for on-going programmes or planning for future projects.

As mentioned earlier, a holistic approach (system model) would be more relevant in developing meaningful guidelines.

#### METHODS OF EVALUATION

The primary function of evaluation is to appraise comprehensively a programme, its implementation and its impact. It is suggested that the difference between basic research and evaluative research is one of purpose rather than method. Evaluative research applies the method to problems that have administrative consequences. As rural development programmes are concerned with large sections of people, the most useful methods and techniques appear to be those developed in Social Sciences and in particular the survey and case study methods. The experimental method can also be used if the programme is set up in such a manner as to have controlled groups. This automatically means adherence to all the steps involved in systematic social science research, viz., formulation of problem (maybe hypotheses), selection of sample, collection of evidence, analysis of data and drawing of conclusions. On the basis of the conclusions, suggestions can be made with regard to changes that may be necessary for a more efficient implementation.

<sup>11</sup>Kuldeep Mathur and Inayatullah, *op. cit.*



The first step for an evaluation study is generally to spell out in detail the problems to be studied. The problems will have to be defined in operational terms so as to get measurable data and information on all key points. If bench-mark data is available, it should be of immense value. In case such information is not available, one may have to fall back on records maintained by the organisation. Much of the current evaluation is confined to quantitative measurement. But in a broader sense, it should include tangible as well as intangible results achieved in relation to the principal objectives of the project evaluated. Innovative behaviour could be a result of introduction of a programme for rural development. This means that the evaluative measurement has to be made not only against the quantitative targets set but also against certain values. Thus conceived, evaluation will be much broader than mere statistical analysis. It would also have a sociological perspective.

Usually, the evaluation of a programme project is expected to be done by agency having the necessary expertise, which preferably have not been involved in its planning and implementation to ensure objectivity.

In recent times, there has been some concern about involving the beneficiaries in the evaluation of rural development programme. Part of this concern is due to the feeling that without such an approach the intended benefits of the programme may not reach the target groups. In a decentralised approach, involvement of the participants from the early stages of the programme, and involvement of beneficiary organisation would be necessary for an effective participation of the beneficiaries in evaluation. However, the experience in such approach is rather limited, but this is not to deny efforts in some countries in this regard. The FAO has developed some documents as guidelines in this regard. "However difficult participatory evaluation may be, the need for consulting beneficiaries of rural development programmes/projects cannot be denied."<sup>12</sup>

There are some prerequisites which, if met, would facilitate evaluation studies. These are:

1. A clear statement of policy,
2. A baseline survey,
3. An indication of the target to be achieved,
4. An accepted set of norms of performance, and
5. An information system which ensures speedy and accurate feedback of information to the decision-making levels of that organisation.

Evaluation can be undertaken even if some of the above prerequisites are not met. The time involved in such a situation would be greater as one may have to collect primary data.

<sup>12</sup>Kuldeep Mathur and Inayatullah, *op. cit.*



## ORGANISATION FOR EVALUATION

It has already been mentioned that usually outside agency conducts evaluation. Arguments in favour of outside agency are:

1. It can be more objective;
2. It can question basic premises; and
3. The problem of status is not serious.

However, an evaluation cell within a department would have detailed knowledge of the organisation and the programmes.

## USES OF EVALUATION

Evaluation should be a continuous process<sup>13</sup>. Evaluation of a programme assumes that results of a study would be used in making changes in the programme. However, this is more easily said than done. The difficulties in utilising such findings may stem from many areas—limitations of data, time, resource, organisational constraints, policy implications, etc. The administrators generally tend to look askance at any evaluation. The evaluator, has, therefore, to have a working understanding with administrator concerned. This relationship could make all the difference both in getting necessary insights into operation of a programme as well as using the information brought forth in the study by the administrator.

The chances of utilising the findings of evaluation would be much greater if the following steps are taken:

1. Identification of potential users of evaluation results and selection of issues of concern to them as a major focus of study;
2. Involvement of the administrator and the programme practitioner, both inside and outside the project, in the evaluation process;
3. Prompt completion of evaluation and early release of results; and
4. Effective methods for presentation of findings and dissemination of information.

## CONCLUSION

To a large extent, the decision-makers have depended on informal approach to evaluation. There is now an effort at a more systematic approach. If evaluation is considered a part of the planning process, the findings of evaluation would become very important for decision-making.

<sup>13</sup> A.P. Barnabas, "Evaluation of Agricultural Programmes" in *Management of Agriculture*, New Delhi, Indian Institute of Public Administration, 1979.





It can result in revision of policy, changes in programme, modification of the methods used, or reconsideration of the target population. In the ultimate analysis a programme must bring about the desired changes through innovative behaviour among the people for whom the programme is meant. Whether this is happening should be of concern to the administrator and the social scientist. It is through their combined effort to look objectively at the programme that the implementation can become more effective. □

## Monitoring Rural Development Programmes

S.K. Pachauri

FOR TOO long, we have been harping on the results achieved under Integrated Rural Development (IRD) programmes. It must, however, be seen that we are now facing a challenge in terms of the people's expectations and hopes that have changed over the years. What we want is a dynamic programme which will take into consideration the genuine needs of the poor who are always helpless and looking to the authorities for decisions that will facilitate bettering of their lot. Following three important aspects need examination in this regard: (i) The overall policy of rural development—whether there is frequent reference to the conditions in the field to help arrive at rational policy decisions. Is the present policy able to meet the shortcomings of the programme? (ii) The administrative structure—what is its condition and is it capable of successfully translating the policy laid down by the government into success stories? (iii) Are the programmes being reviewed and monitored or is it merely chasing targets?

During the Sixth Plan period, the government approach has been to cover all developmental blocks under the IRD programmes. This strategy suggests a fusing of all developmental approaches and bringing about socio-economic change in the rural areas. The major consideration is that all those earning an annual income of Rs. 3,500 will qualify for assistance. Findings on some of the programmes have revealed that even though assistance was given liberally to the beneficiaries, they, however, did not show signs of crossing the poverty line within a period of one year. This aspect requires rethinking on monitoring. It has been found necessary that an additional input of credit needs to be given in most cases to make economic effort of each targeted household economically viable. Apart from the input, very often the loan becomes a liability. The beneficiary is faced with the problem of repayment of loans. He finds it impossible to repay loans on scheduled time as suggested by the bank. The effort, thus, assumes the form of a negative exercise. Since bulk of the poor are Scheduled Castes/Scheduled Tribes, they require intensive coverage and very special care. For this purpose, the functional cluster approach is necessary so that all categories among them are covered.

The total absence of planning at the district and block levels has resulted in a casual approach in the implementation of programmes. There is a Special Component Plan for the development of Scheduled Castes. It was



expected that flows from the state budgets would be earmarked for Scheduled Castes' development. Though most of the states have taken the idea very seriously, yet as far as implementation is concerned, it is found that much is left uncompleted. Therefore, monitoring of these programmes needs strengthening in order to have an idea about the impact of these schemes in a substantial manner. For the purpose of review and evaluation or to learn from experience, some new ideas were experimented with for the first time, such as introduction of *Vikas Patrika*.

In respect of all the programmes, it is noticed that a great deal of functional integration has to be brought about at the block level. What is actually happening is that a whole lot of procedures, forms and inquiries are being devised and, without properly understanding the implications of these on the programmes, these are being thrust on the beneficiaries. An important aspect is that, while there is a very heavy emphasis on income generating capacity, agricultural programmes are being generally ignored. For a thorough assessment of the status of the farmers, a list of their assets and liabilities has to be kept in view while formulating programmes for them. Another major drawback noticed in this regard is non-availability of managerial skills at the field level. It is done mostly on the whims and fancies of the local officers and no systematic attempt is made to get to the roots of the problem. The eventual casualty is the beneficiary himself. Another aspect of the rural development programme was that during the Sixth Plan period, it was expected that the TRYSEM programme would receive a big boost. But, as experience has shown, this has turned out to be a big non-starter.

The administrative structure is an aspect which should concern serious students of rural development programmes. The Collector and District Magistrate, who is the chief planning and coordinating authority, is the kingpin of district administrative set-up. But he hardly finds any time to concentrate on the various programmes. Most of the time he is busy either with law and order problems or with VIP visits. Only some District Magistrates, having genuine interest, bother to study the problem. At the block level, very few studies have been conducted about the morale of the developmental bureaucracy. The commitment of the rural bureaucracy in developmental programmes needs to be viewed very seriously. For instance, the VLW has hardly any interest in what is going on around him. There is no system of reward or encouragement and hence he cannot be blamed for non-performance. Banking procedures, being very complicated, confuse the applicant and act as a damper on the hopes of the rural poor. There is a fatal fascination for achieving targets rather than the qualitative achievement of goal. Then there is also the problem of access. The villager has to look to the village official so that benefits may trickle down. Here, the middlemen play a role, which, in turn, encourages corruption and nepotism. At the lower level, virtually everyone demands a share from the fruits of development, encouraging corruption in a very big way. Though



such organisational structure and environment is hardly conducive to deliver 'growth with justice', yet it would be wrong to conclude that no progress has been achieved. There is, therefore, a growing need for some hard thinking and introspection. Necessity of more vigorous follow up action is increasingly realised which can only be achieved if monitoring is taken seriously at all levels. The results of monitoring a programme should be analysed and lessons learnt therefrom utilised more productively. The impact of schemes can only be judged by the manner in which they are implemented. It is here that personnel working in the field play an important role. The feedback received should be acted upon and not just filed away. Monitoring has been given a great deal of importance in the Sixth Plan. Let us examine its main constituents.

For the purpose of monitoring of IRD programmes, the Government of India has devised a new identity monitoring card (*Vikas Patrika*) which may be got printed and distributed to all the blocks. One copy of each of the monitoring cards has to be given to the beneficiary and the financing institution. One copy is to be kept at the block level and another is to be maintained at the project level. The responsibility for filling up of the monitoring card and its updating and inspection has to be determined by the project authority and the BDO. It is also required that a list of officials be drawn up who will be responsible for monitoring and implementation of the programme. A schedule is to be prepared fixing their visits to help solve problems of the beneficiaries. Responsibility for collection of data for assessing the impact of the programme in terms of increase in income of the family assisted is required to be fixed. Emphasis is also laid on preparation of a five year perspective plan as well as an annual action plan which has to be prepared by the Project Officer (DRDA) along with his team of experts. The sectoral components of the plan are to be got completed by the subject-matter specialists which necessarily involve visits to blocks to assess collection of data and information. They are also required to visit blocks with the BDO, bank manager and others concerned to get the benefit of their advice.

The Panchayati Raj institutions should also be involved very closely in the preparation and implementation of block plans. These plans should be got endorsed by them. It would be necessary to draw a time schedule for various stages of the plan and fixing clearly the responsibility of various functionaries at their respective levels. Besides, a village plan register, giving details about all identified families and the development programmes drawn for them with the assistance given under the IRD should be maintained at every village. In addition, a list of families who get assistance under IRD should be made available to the departments concerned so that follow up services, like applied nutrition, compulsory family education, adult education, family welfare, children and women programmes, health, housing, etc., may be provided to them systematically. This is necessary as the idea



of poverty removal is not confined to economic development but also to sustain better quality of life by providing the education of their children, health and welfare measures to vulnerable members of the family identified under the programme, etc.

Similarly, instructions have been issued by the various state governments that a special field level effort will have to be made to keep a watch on the work relating to the implementation of programmes meant for uplift of the Scheduled Castes. Certain state governments, like UP and Kerala, have appointed staff for this purpose. It was envisaged that coordination and liaison in respect of schemes implemented by other departments for Scheduled Castes should be achieved. Extra care should be taken for collection of statistics and data relating to Scheduled Castes. Though the Scheduled Castes programmes are being monitored at the district level, however, it is noticed that unless an extraordinary effort is made at this level, it is difficult to pursue the objective of their development. Most of the district officers are sometimes confused about the target allotted to them. The state government departments should desegregate the departmental target to the districts at an early date immediately after passing of the state budget. If this is not done, a large number of problems arise in implementing programmes meant for them.

Here, it may not be out of place to mention that very little effort has so far been made to assess the return from rural development projects. The rate of return and the quantifiable benefits and costs are assessed in a casual manner. Attention should also be paid to some of the unquantified benefits, like availability of social services. Since the effort in the Fifth Plan had been to combine economic development with social services, it would be necessary to focus more attention on this particular aspect.

While the Government of India may issue elaborate instructions on the important aspects of formulation of a block plan, it is noted that nowhere have block plans been prepared in all seriousness by the block organisations except in certain specific cases where expert agencies, namely, National Institute of Rural Development, are involved. The plan formulated by the block merely indicate the list of beneficiaries and the target number of beneficiaries to be achieved and the financial requirements to implement them. The procedure is, by and large, the same as it existed except that identification has become a little more difficult, and that there is a good deal of coordination between the block level functionaries and the bank officers. Even though block level planning has not been undertaken seriously, a strategy is being evolved which relates to identification of beneficiaries and formulation of certain plans for them. In this respect, the concept of cluster project is very important. The following criteria have been prescribed for implementation of programme in cluster:

1. Existence of programme specific infrastructure;



2. Availability of credit institutions;
3. Field level development and capacity to absorb credit to the extent envisaged;
4. Concentration of Scheduled Castes and Scheduled Tribes and other weaker sections below the poverty line; and
5. Existence of other relevant factors facilitating optimum utilisation of resources and effective implementation of the programme.

It is also mentioned that the clusters may be spatial in terms of a number of contiguous villages. The availability of field functionaries, like the VLWs, to shoulder proper responsibility may also be taken into account while deciding on the number of clusters. Here, it may also be mentioned that though it is very easy to identify the clusters of Scheduled Castes and their occupational groups—like cobblers, weavers, stone-cutters, fishermen, etc., but several serious problems arise while adopting cluster project. In some areas, the whole block is divided into a few villages with three to four thousand families. Sometimes a village is selected merely because it happens to be on the main road with only few infrastructure facilities and sometimes the villagers are identified as clusters on the basis of functional homogeneity. Generally, all these projects are adopted due to administrative convenience. It may be pointed out that the poor generally suffer from 'low visibility' as Robert Chambers has complained. There is a grave tendency among large number of rural poor, in particular, to go unnoticed to the casual visitor who hails from the elite middle classes. The touring development expert also may not notice the poor because his time table keeps him on the main road. This happens specially when he is travelling in a car or in a jeep and in between he encounters a gathering of villagers who are presented to him by the block level staff. Even the BDO has little time to spare and see the beneficiaries himself since he delegates this responsibility to extension officers and village-level workers. He himself is most of the time busy in meetings and management of files. Therefore, he has very little time for meeting the beneficiaries individually. The same is the complaint about District Magistrate, who is bogged down with law and order problems and visits of VIPs. As a matter of fact, VIPs are also taken to see villagers on the main road highways and very rarely do they visit interior villages to get a first-hand assessment of rural problems.

There are two aspects which are of growing concern: (a) whatever investment is made on the family, does not get the desired result because of escalation of prices; and (b) the repayment of loan programme is a very big burden on the beneficiary. It is very often noticed that, in some cases, though the loans were sanctioned long time back but the benefit did not reach the person concerned. But even then he, however, is bound to repay the loans along with interest.

It may be possible to reach a large number of beneficiaries if decentralisa-



tion of plans and programmes is made more real. This would necessitate political commitment and administrative will to carry out the policies that are necessary for sponsoring such programmes and strategies. It would also be necessary to encourage local and voluntary effort. This aspect has, however, been largely ignored and treated only in a very casual manner. Rural development projects require a great degree of flexibility and necessary changes in the design should be made in response to lessons of experience. Greater effort should be made to link project management into the central and local government organisations and procedures.

It is equally important to involve the rural poor in the planning and implementation of rural development programmes. Eventually all programmes are meant for them and they should be in the know of the things.

Increased training is necessary at the local level particularly to members of the lower bureaucracy. They often feel neglected and ignored. As a matter of fact, a lot depends on the orientation and determination of the authorities at this level to achieve the object of development programmes. This is one area which is not receiving much attention and consequently the whole monitoring mechanism depends on this group of people for the success of implementation of programmes.

Since all developmental programmes are, by and large, being implemented by the government, it is very necessary to ensure that a healthy relationship develops between weaker sections and the officers. There are a large number of intermediaries, who assume considerable importance and are considered important in the villages. Very often, the lower level officers depend on these people and, hence, a large number of poor people never get identified. It is necessary to see that the officials are free from biases and prejudices. Developmental work is nowadays becoming a very specialised activity, as such a great deal of commitment and understanding is expected from the field-level functionaries. Let us hope we are able to do better during the Seventh Plan period benefiting from experiences of previous years.

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## SDO and Relief Works—A Study of Madhya Pradesh

Sundeep Khanna

IN MADHYA PRADESH, primary responsibility for administering relief of any kind rests with the Revenue Department.<sup>1</sup> In addition, the Commissioner at the divisional level, and the Collector, at the district level, are responsible for correct preparation and maintenance of scarcity programme and for control over and implementation of the scarcity programmes.<sup>2</sup> The responsibility extends to relief works executed through the public works, forest and agriculture departments.<sup>3</sup> Being the seniormost officer of revenue department in the sub-division, the Sub-Divisional Officer (SDO) has to shoulder responsibility in the matter. He is, normally called upon to face different types of situations caused by: (a) fire, (b) flood, (c) famine, (d) hailstorm, and (e) major accidents.

Flood and famine are somewhat different from the remaining because some sort of planning can be done in advance. In the case of fire, hailstorm and major accidents, very little can be done by way of advance planning. However, the basic thrust of administration in all the situations is the same. Firstly, promptness is most desirable. Relief delayed is relief denied. In case of fire and major accidents, it can endanger human life. In case of flood and famine, delay in grant of relief can lead to migration of population. Secondly, relief should be granted to all the needy persons without being influenced by extraneous considerations. In other words, relief has to be granted on a selective basis to only the eligible persons. Once any discrimination is there, then, the political parties, groups and lobbies try to take political advantage. Consequently, the morale of personnel engaged in relief operations is adversely affected. Therefore, it is very important to objectively identify the victims and to correctly assess the damage. Thirdly, it is advisable to grant and disburse the relief on the spot so that no hardship is caused to the victims in running from one office to another. Moreover, the professional touts do not get a chance to appear on the scene. Touts not only defame the administration but also water down the impact of relief measures. Fourthly, mere grant of cash relief is not enough.

<sup>1</sup>See Circular No. 4, Section VI, *Revenue Book Circulars*, Government of Madhya Pradesh.

<sup>2</sup>Government of Madhya Pradesh, *Scarcity Manual*, 1973, para 20 of 'Introduction'.

<sup>3</sup>*Ibid*, para 22.





Wherever necessary, relief should be provided in the form of drinking water, fodder, bamboos, poles and cheap foodgrains. Particularly in a drought year, there is either a shortage of foodgrains or its availability is difficult. In such situations, the administration is required to open a large number of fair price shops close to the work sites. In cases where migration of population is noticeable, camps have to be established to provide shelter. The administration has also to take care of public health. In case of fire and accidents, prompt medical care, alone, becomes the most important single factor. Fifthly, close coordination between various government departments, agencies and voluntary organisations is an objective which must be achieved. The SDO is required to play the role of coordinator and leader of the team at the sub-divisional level. The voluntary organisations can be particularly helpful in channelising private charity and for administering gratuitous relief. Voluntary organisations can also be useful for providing relief to those who may not come within the purview of the norms laid down by the government.

However, while doing all this, it is equally necessary to avoid administrative over-reaction which manifests itself in grant of relief to ineligible persons and grant of relief without proper formalities. It so happens that whenever a calamity occurs, VIPs make a beeline for the affected areas. Therefore, to impress them and to avoid complaints, lower level government functionaries are quite willing to make compromises with procedures, rules and regulations which may later on turn out to be financial irregularities. Proper accounting is an essential attribute of any efficient relief agency. Over-reaction can be avoided if the activities and actions are planned properly. For example, in a drought relief programme, the sequence of works should be clearly laid down. In other words, the programme should contain a list of feasible works so that works can be taken up one after the other in order to ensure continuous gainful employment for the affected population. However, where there is no programme or it has become out of date, a situation may arise when all the works are taken up simultaneously or works of lesser utility are taken up first. Therefore, it is very necessary to be clear in mind regarding objectives so as to plan the operations in a systematic and rational manner.

The Scarcity Manual specifically bestows the following powers and duties on the SDO vide para 85 of the Manual:

1. Personally conduct crop-cutting experiments within his sub-division during the period of enquiry into the agricultural position and out-turn estimates.
2. Generally supervise the operations of Tehsildars, Circle Officers, Village Officers, and all subordinate officers and persons concerned with administration of relief except that on public works.
3. Be constantly on tour and visit all affected villages as often as



possible and in particular satisfy himself that:

- (a) relief is being efficiently and economically administered;
  - (b) selection for admission to works and gratuitous relief is being properly made;
  - (c) Provision for medical inspection and relief is adequate;
  - (d) Special precautions are taken to guard the drinking water supply from pollution, in villages in which epidemic disease has broken out;
  - (e) Relief accounts are being correctly kept and reports and returns properly submitted; and
  - (f) Influential and private persons of the neighbourhood are fully and effectively taking part in the administration of relief and giving such employment and assistance to their tenants and dependants as the circumstances may require; and
4. Regularly inspect relief works and, if called upon to do so, submit an inspection report.

In addition, Para 151 (ii) further lays down that the SDO is competent to sanction village works, such as bunding of nullahs to conserve water during summer, construction of new wells and deepening of old tanks upto an estimated cost of three thousand rupees. Para 255 empowers the state government to authorise the SDOs to perform in respect of their subdivisions all the duties of check and audit that are imposed on Collector by the Manual. However, the basic role of SDO lies in the selection of work sites and timely submission of returns apart from keeping the Collector informed about the exact state of affairs. He must also help the Collector in coordinating the activities of various departments particularly in the matter of pooling of tools and plants, technical assistants and vehicles. The Collectors generally also like to delegate the powers of appointment of disbursing officers. The SDOs are also expected to negotiate surrender or acquisition of private lands for the purpose of executing relief works.

The Revenue Book Circular Six-4 was amended *vide* Government of Madhya Pradesh Memorandum No. 2869/7073/Seven/9-3, dated 3.10.73 to empower the SDOs to grant financial assistance to needy persons up to Rs. 250. The circular was amended to ensure prompt grant of relief to the families in distress. The provision has been extensively used by the SDOs.

The SDOs are also expected to prepare cases for grant of relief under the provisions of MP Harijan-Adivasi Distress Relief Rules, 1979. These rules provide for relief to only Harijans and tribals in distress. However, where relief is deemed necessary, but it cannot be granted under any specific provision, then, the case is submitted to the General Administration Depart-



ment of the government for grant of relief out of the Chief Minister's Relief Fund.

These are some of the duties of SDOs when faced with a situation of a disaster or natural calamity. However, there is always scope for use of imagination as is illustrated by the following case.

#### SONBARSA SOCIAL FORESTRY PROJECT

This is the story of a canal-fed prosperous sub-division of Madhya Pradesh which suffered from acute paucity of rainfall from August 1974 to May 1975. This area had suffered from paucity of rainfall at least twice earlier but this time the situation became alarming. In 1965 and 1966, the rainfall fell short of normal in the months of September and October thereby adversely affecting the paddy crop output particularly in unirrigated and canal tail villages. However, in 1974 there was no rainfall after 10 August. As a result, there was insufficient water in the reservoir to feed the canal system in September and October. The agricultural operations were slowed down before these came to a premature halt. From September onwards, the agricultural labourers came out of villages in search of employment.

The state government took notice of the situation and ordered the immediate starting of all development works. Normally, the execution of such works remains suspended from June to November. Employment was initially generated by starting repair, metal collection and consolidation of road works. In October and November, as the situation became a little alarming, small village works were undertaken. These included repair of village tanks and digging of wells and construction of bunds for water storage purposes. In the month of December, the labourers were again partially employed in harvesting whatever was left of paddy crop. Nonetheless, by the middle of January, 1975, alarming situation arose in a group of twenty one villages. The crop output in these villages was less than twenty per cent and it became difficult to procure water for road works. The small village works could no longer sustain the pressure of labour. The local leaders suggested that an irrigation work alone could provide work to about two thousand persons per day. The official dilemma was that no new irrigation work could be taken up in a canal-fed area as no new potential would have been created.

It was in this background that the Sub-Divisional Officer undertook an extensive tour of the villages accompanied by staff of revenue, irrigation and public works department. The SDO went from village to village looking for projects that could be undertaken. The objective was to conceive a project that would become an economic asset in the course of time. Discussions were held with Sarpanchas and also with the block-level Panchayat President. It so happened that when the party was returning back, the SDO



came across a barren patch of land. On local enquiry, it was learnt that it was an isolated protected forest area lying neglected and unattended since the Zamindari abolition days. The neglect was understandable because the nearest forest area was more than twenty kms. away. With some effort, the working plan and the compartment history were located in the office of Divisional Forest Officer at the district headquarters. On a perusal of records, another such patch of forest area was located five kms. away. The idea soon caught the imagination of SDO that the real solution to his problem lay in the sanctioning of a social forestry project for these two patches of forest land. He informally mentioned it to the Collector who instructed the DFO to submit an estimate if the project was feasible.

The SDO, who belonged to the Indian Administrative Service and had soon after joining properly planned his courtesy calls on district and divisional officers, had no problem in personally approaching the DFO and the Conservator of Forests to pay their personal attention to the project. Since very little was known about these forest areas, the Conservator of Forests and the DFO undertook a joint inspection of the area at the instance of the SDO while studying the feasibility, the officers had two problems in their mind which they mentioned to the SDO as follows:

- (a) The problem of protecting the forest growth from the inroads of neighbouring villagers; and
- (b) The inability of local labour to undertake some of the forestry operations.

The SDO hurriedly undertook a tour of all the villages alongwith the subordinate staff of the forest department. The problem was explained to the Sarpanchas and local leaders as also to village chowkidars. It was explained to them that the forest department would agree to undertake the work only if they assured that the cattle and encroachers would be kept away. They were also told that some labour would have to be brought from forest villages and that they would not be allowed to raise hue and cry about it. The villagers readily promised full cooperation and also came forward to join the 'Van Premi Sangh' (forest lovers union)—an idea which the department was having difficulty in seeing. The SDO personally conveyed the resolve of villagers to the Conservator of Forests and the DFO and also promised full cooperation of the revenue and police staff in curbing any evil tendency. Consequently, a project was drawn up to encompass the following operations:

- (a) digging of trenches all around the blocks ;
- (b) cutting of all malformed standing trees and Coppice-shoots;
- (c) cutting of shrub growth;



- (d) preparation of soil for plantation purposes; and
- (e) establishment of a nursery.

The idea was to undertake teak plantation in the inner areas and to raise fruit-bearing trees in the outer areas. All the operations were designed to be labour intensive. The collector quickly gave administrative approval while the Conservator of Forests accorded technical sanction. On February 3, 1975 the work was started without any fanfare. By the middle of February, professional forest labour was also brought from forest villages to the sites.

The SDO also moved swiftly to make other arrangements. Two drinking water wells near the work sites were deepened and bored at the cost of relief work. A fair price shop was opened exclusively for the labour employed at this work. Two water tankers were also stationed there to transport drinking water. A vaccinator was posted to inoculate all persons who came forward to work within three days of their joining for work. The medical officer incharge of the Primary Health Centre was also directed to make regular visits to the work sites. Three officers were appointed to disburse wages to the labour regularly. These officers were drawn from departments other than the forest department. This enabled the forest department officials to pay full attention to the management of the work. The appointment of three disbursing officers also ensured that at least one officer was always available to make payments even if the other two went away on leave or duty.

Simultaneously, a 'Van Premi Sangh' was organised at the sub-divisional level with public representatives and other enlightened opinion leaders, including representatives of the local bar. The objective of the Sangh was to educate the villagers regarding the utility of the forests and to motivate them to protect the same. Branches of the Sangh were organised at each panchayat level and meetings were also organised in bigger villages. The members of the Sangh were also requested to supervise distribution of wages and rations. They also assisted the forest department staff to moderate the pressure of work-seekers whenever it was not possible to employ every person seeking work.

The labour-intensive operations continued up to the middle of June when the rains came and the labourers got back to agricultural operations. Work was provided for total number of 77,349 man-days. It was the only relief work of its type in the region and it received extensive coverage in the regional press and the local All India Radio Station also broadcast a feature in May 1975. About seventyfive thousand teak sapplings were planted out of which forty thousand survived at the end of the first year. A large number of sapplings of mixed specie, e.g., ber, imli, kaju, jamun, munga and karang were also planted and about seventyfive per cent of them survived. The plantation was maintained by the forest department and, again, in the year 1977,



seventyfive thousand sapplings of mixed species were planted.

The 'Van Premi Sangh' proved quite effective and the residents of neighbouring villages also kept their word. By January 1985, it had become a lush green area from a degraded shrub forest. The trees had already attained a height of fifteen feet. □

## Extracts from Speeches by the Late Prime Minister Smt. Indira Gandhi

*This issue of the journal is dedicated to the memory of the Late Prime Minister Smt. Indira Gandhi. We are giving below, classified under broad headings, a selection of extracts from speeches and statements made by her on different occasions which portray her thinking on various issues pertaining to public administration in India and its allied areas.*

### Values and Human Problems

To the majority of people, value is still associated with wealth. I presume that here in this Seminar we are concerned with the value of man and his integrity. Goldsmith wrote:

"Ill fares the land, to hastening ills a prey,  
Where wealth accumulates and men decay."

There cannot be two sets of values. Politics is part of life. In the old Greek sense of the word, politics is the essence of life for it permeates all activities. Unfortunately present-day politicians have made it superficial, as if it were merely a profession. Values in political or professional life cannot be fragmented from those perennial values which are necessary for the unfolding of man's personality. To treat political values as separate and independent of human values is to diminish the human dimension. Politics will destroy itself unless it discovers new grounds of behaviour and action.

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Any search for values will have to find a right balance between personal freedom and social obligation. The precise proportion changes depending on the given phase in the history of each individual and each people. The multitude can be wrong and it may try to snuff out the flame. The individual can also be wrong, and in defining truth and value subjectively he may be deluding himself or disowning what he owes to others. Camus said: "To live itself is a value judgement. To breathe is to judge".

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The search for values has to be a continuous process, accompanied by a constant endeavour to lead lives approximating to those values. Value merely perceived is valueless. It must be lived.

—Address given on January 3, 1981 at a Seminar on Value Orientation in Human Problems Solving, organised by the Vivekananda Nidhi in Calcutta.

### Towards a New Synthesis in Civilisation

The present crisis of civilisation is not so much the clash of cultures as what to do with violence, not only that which is stored in nuclear arsenals but the growing and pointless violence of ordinary people and their callousness. In the last few centuries, under the



impetus of the industrial revolution, governments, industry and profession have concentrated on what is called efficiency. Greater consumption but less satisfaction, which was the problem of the affluent individual throughout history has now become the problem of entire countries. Education, the purpose of which was originally to enable the individual to come to terms with life, often unsettles balance. It is education for efficiency not for harmony. The educated are unable to reconcile the 'two cultures', the humanities and sciences, and still less to assimilate them within their distinctive inner personalities. Progress has dried the springs of spontaneity.

—Address given on November 12, 1981 after receiving the degree of Doctor of Laws honoris causa from the Sorbonne University, Paris.

### India's Cultural Tradition

The *Dhamma Pada*, the book of Buddha's sayings, says : 'Call him wise whose mind is calm, whose senses are controlled, who is unaffected by good and evil, who is wakeful.' The Gita gives the same message of equanimity in pleasure or pain. It also says, and this is its main theme : 'Be concerned with action but not with its fruit.' That is what I have accepted as the guide in my own life and in my own work.

The Buddha told his disciple Ananda, 'Be an island unto yourself.' The Pali word 'deep' can mean either island or light. I don't think the Buddha meant isolation from others. But as many others after him, including Jean-Paul Sartre, has said, in the ultimate analysis, one has to depend on one's self. Our own poet Kabir sang in the people's dialect that we could look for truth anywhere and everywhere but we would find it only within ourselves. The search for it may be a lonely one. Yet we cannot abandon it for the sake of company or comfort. 'Walk Alone' is one of my favourite Tagore poems in which he sings : 'When there is darkness all around, you yourself become the lamp.' Lamps beckon to others and islands are linked by the oceans.

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Our freedom movement was one of national rediscovery as well as cultural and spiritual renaissance. We chose democracy, which means tolerance within the country. And we chose non-alignment, because it means tolerance internationally.

—Address given on August 2, 1982 at the U Thant Award Ceremony, New York.

In India, although many of us think forward into the future, when we want something to say, we invariably look back into the past. There is always some word or sentence written thousands of years ago that could very well have been written today. There are some timeless parts of our history (as I am sure you have in America) and some great ideals, which we would like to keep no matter what other progress there is, what other advances mankind makes.

So it is important to have things, but just as important to know how to enjoy them, and how, through them, to share the enjoyment with others.

—Speech at Washington Banquet on November 4, 1971.

### Indian Society and Democracy

The story of Indian development is not without significance for the rest of the world. How could it be otherwise when it encompasses the aspirations and struggles of over 550,000,000 human beings? Political theorists with their neatly labelled indices have





sometimes spoken of democracy in India as a futile quest. To them, democracy could only be a two-party system worked by those who were educated in a particular way. Perhaps as advanced people of the West a generation ago protested that the colonial countries were not ready for freedom, so it was said that the underdeveloped societies of Asia and Africa were not ready for democracy, and could achieve order only under dictatorship of some kind or, at most, a controlled or guided democracy. Can democracy be guided any more than freedom? Is not a guided democracy a contradiction? Perhaps these questions are irrelevant. For it now seems that in some countries the word 'democracy' was used as a shield for reaction and the subversion of freedom. But we did take democracy seriously. To us it conveyed the equality of all people to participate at every level in the development of their country and the functioning of government.

In the choice of political institutions, it is not inevitably the past that is decisive, but the changing conditions of the lives and attitudes of people and the capacity of those who are in positions of leadership to involve the largest number of people in the political process.

The British ruled over us for two hundred years. Little did those early colonisers realise that along with their flag they brought the seeds which would destroy their rule. Macaulay, who pleaded so passionately for Western education, did not quite realise that he was undermining the edifice he was so anxious to perpetuate. The nineteenth and twentieth centuries brought ancient India face to face with the imperatives of the contemporary world. And we quickly absorbed all that was relevant and significant in Bentham and Mill, in Rousseau and Voltaire down to Marx and Weber. And all this was grafted on to the Indian sub-continent. And we then had Tagore, Gandhi and Nehru to mention only a few.

Our democracy is dedicated to planned economic development, the peaceful transformation of an old social order and the uplifting of millions of people from conditions of social, economic and technological under-development. Thus, what we are attempting in India is not mere imitation of the Westminster system but a creative application of a meaningful democracy to the vastly different economic and social problems of India.

Democracy was not entirely new to us for its roots could be found also in our old panchayat system. This system probably came into being because the village and the people were too distant from the centres of political power. Today the ancient institution has been transformed into a new organ of self-government at district and what we call block level as a link between the government's programme and the people.

The concept of the rule of law and the British pattern of administration may have helped to keep order in the country but much in these institutions has remained static and without changes they are becoming stumbling blocks to progress and democracy.

There are forces in our society as in others which pull in opposite directions. The competitiveness of democracy and of contemporary living seems superficially sometimes to have strengthened the hold of caste, religion and region, for these are now exploited for social and economic gains. But this is a passing phase and these differences cannot weaken India's fundamental unity nor the basic sense of Indianness which is a powerful binding factor. Paradoxical though it may sound, we believe that the functioning of democracy itself can remove these obstacles on the democratic path.

*—Speech at Royal Institute of International Affairs,  
London on October 29, 1971.*

#### **India's Democratic Development**

A country is an extended family. When income and resources are limited, one must budget to ensure that essential items are not neglected—waste has to be avoided, resources husbanded, priorities established, education and other social needs catered for, with special provision for those who are weaker or smaller. Industry has to be balanced with agricul-



ture; technology with culture; State ventures with private initiative; economic growth with social justice; the large with the small. Every section of society must be stimulated to creative activity.

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India's planning experience sums up the successes and problems of our democratic development. The magnitude and significance of democracy's operation in India are not well understood, for it is often treated as an adventitious or borrowed growth.

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We have a mixed economy. Our public sector has a developmental role. This does not connote neglect of the private sector. Both sectors are essential for greater production and employment. All our agriculture, almost all our retail trade and a great deal of industry are in the private sector. The paid-up capital of private companies is three times as large as that of public one. The share of the public sector in the gross domestic product is only 20 per cent.

*—Address given on August 2, 1982 at Luncheon hosted by the Foreign Policy Association and the Asia Society in cooperation with the Far East American Council of Commerce and Industry and the Indian Chamber of Commerce of America, New York.*

#### Party and Government in Democracy

In a democracy the relations between party and government are subtle and complex. The party sets the goals for the people and offers them a concrete programme. The people's mandate enables the party to form the government and to translate the vision into reality. The party's work does not end with the formation of government. It must keep up the momentum, lead the democratic debate and, above all, serve as a bridge of understanding between the government and the people.

*—Article published in the Independence Silver Jubilee Number of Socialist India, August 1972.*

#### Meaning of Democracy

Democracy can have many meanings. The meaning most often given to it in the West is that there should be a two-party system and that people should vote for one party or the other. In fact, we were told that because we had many parties, perhaps there was something wanting in our democracy and we should aim at a two-party system. Frankly, to us it seems very strange, because the two parties may not be able to contain all the opinions in a country at a time, though I must admit that sometimes the multiplicity of parties which we have in India is not a very great help to the public. But it is a phase of development, and I do not think it basically affects democracy.

*—Address given on November 6, 1971 at Columbia University at New York.*

#### Election and Democracy

I would like to tell a small story about democracy. In the very first elections, I visited my father's constituency. I was stopped on the road for an unscheduled meeting and I made a short speech. An old farmer got up and said, "only yesterday we had



another gentleman and he said the opposite of what you are saying. Which of you was telling the truth?" I said, "well, obviously I cannot say that I am telling the untruth, but I am also not willing to say that the other gentleman told the untruth. We are trying to bring democracy to our country and this means that everybody says what he has to say, but you, the people, must judge who is saying what is in your interest, who is going to do what is in your interest." But the farmer said, "do you belong to the Congress Party?" I said, 'yes'. "Then you have no business to let this man speak to us and tell us lies." This was in 1950-51. But even in the next elections, one did not hear such a question or such a demand. Our people have got used to the fact that different parties put different points of view. So step by step they learn. Every election is not merely the opportunity to vote, it is an opportunity to be educated in the ways of democracy and in the policies of the different parties.

Some people say that the political unity of India is a gift of the British. In reality today's political unity is primarily the result of our movement for freedom from the British and equally the result of our subsequent success in holding together and consolidating that unity through the full functioning of democracy.

*—Speech at Austrian Society for Foreign Policy and International Relations, Vienna, on October 28, 1971.*

### **Political Will**

We have often heard of the expression "lack of political will in a soft State". But what has happened in the so-called hard States? Would anyone seriously argue for a mechanical imitation of patterns of thought and action which, whatever their historical justification, are not in tune with the social and cultural ethos of our country? Also, if we look at the record, our achievements have not taken place in a political vacuum. They are the result of political will exercised upon circumstances and social organisation. The question is how to strengthen those political forces which are working for a secular, modern, rational society. This cannot be done through cynical fault-finding. Artificial boundaries have been drawn.

*—Address given on November 16, 1983 at the Silver Jubilee Celebrations of the Institute of Economic Growth, New Delhi.*

### **Dynamics of Social Justice**

Constitutional pronouncements do not necessarily mean that the battle is won. Americans know that despite the noble proclamation that all men are equal, it took nearly two centuries to make White people take cognisance of the demand of the Blacks to equal rights.

Today our task in India is to achieve the objectives adumbrated in our Constitution. While legal instruments are important in fostering social justice, they cannot by themselves bring about social reformation. We need a climate of proper interaction among the people and government to nurture and promote our declared social goals.

The greatest enemies of such progress are those who foment communal disharmony and carry on violent agitations and separatist and sectarian movements. Government is fighting such divisive forces with determination. But official efforts need the support of citizens and professional leaders. The legal community, in particular, has a responsibility to defend democratic institutions and to create public opinion against anti-social elements.

...I should like to add that the common man's faith in democracy in our country depends in large measure upon the manner and speed with which we can solve his economic problems. To him the Constitution should be a charter for change rather than a bulwark



of the *status quo*.

*—Address given on October 31, 1980 at a Seminar on Dynamics of Social Justice in New Delhi.*

### Majority and Minority Communities

We have a tendency to speak of majority and minority communities. I think this is rather misleading and irrelevant with reference to India as a whole. 'Majority' and 'minority' are relative terms. The Jews of Kerala are a minority in one sense. But as Malayalam-speaking people they are numerically larger than many other groups in the country. At the other end of the scale, the so-called Hindu majority is fragmented into linguistic, caste and regional groups like everybody else. There are perhaps only two real majorities in India—the poor and the young. But these also are not simple majorities. They are large and complex social categories consisting of many layers.

*—Address at four hundredth anniversary celebrations of the Cochin Synagogue, December 15, 1968.*

### Improving Conditions of Weaker Sections

Peace we want because there is another war to fight—the war against poverty, disease and ignorance. We have promises to keep with our people—of work, food, clothing and shelter, health and education. The weaker and under-privileged sections of our people—all those who require special measures of social security—have always been, and will remain, uppermost in my mind.

*—First broadcast as Prime Minister, All India Radio, New Delhi, January 26, 1966.*

### Against Discrimination SC/ST and the Poor

It is not enough to fight communalism. Assumptions of superiority based upon caste or privilege and the traditional attitude of looking down upon women and members of the Scheduled Castes and Tribes or for that matter anybody who is or looks poor have also to be fought. It is our duty to create a social milieu in which the young and the socially weak feel that the present and the future belong to them. The government has urgently to create greater employment, implement land reforms and relieve the pressure on the harried middle classes.

*—Article published in the Independence Silver Jubilee Number of Socialist India, August 1972.*

### Fair Deal for Backward Classes

We are committed to a secular and socialist society. We are committed to planned development for the betterment of economic conditions and the quality of life for the India citizen. These objectives can have meaning only if those who are most backward amongst us, educationally or socially, are helped to come forward and share the benefits of economic development.

*—Address given on December 12, 1980 at the valedictory function of the Backward Classes Commission, New Delhi.*



### **Economic Progress and Democratic Process**

Our progress has sharpened our people's impatience. It is not true to say that the poor are poorer, because even the poor have advanced a bit. But it is true that they see their poverty with much sharper eyes. It is true that they are not prepared to wait any longer. We have taken the path of socialism because we feel there cannot be real democracy if there is a very great economic inequality. Even though the Constitution gives equal rights, if a very large part of the population is not able to benefit from what the Constitution gives them, then democracy cannot be complete. So if India cannot maintain its stability, I think it does threaten Asia and it does threaten world peace as well. Governmental and parliamentary leaders from many countries have shown understanding of the issues involved but many others acting, may I say, with somewhat lack of insight.

*—Speech at Austrian Society for Foreign Policy and International Relations at Vienna, October 28, 1971.*

### **Environment**

We must also do something about mental attitudes which are inculcated from early childhood by language. The vices of humans are attributed to one or other bird or animal. The instances are far too many to list—sly as a fox, vain as a peacock, even the dog, such a friendly and loyal creature, has been given a bad name. This is a challenge to members of this society and all those who are interested in conservation.

*—Address given on September 15, 1983 at the centenary celebrations of the Bombay Natural History Society, Bombay.*

### **Human Environment**

The inherent conflict is not between conservation and development, but between environment and the reckless exploitation of man and earth in the name of efficiency. Historians tell us that the modern age began with the will to freedom of the individual. And the individual came to believe that he had rights with no corresponding obligations. The man who got ahead was the one who commanded admiration. No questions were asked as to the methods employed or the price which others had to pay. The industrial civilisation has promoted the concept of the efficient man, he whose entire energies are concentrated on producing more in a given unit of time and from a given unit of manpower. Groups or individuals who are less competitive and, according to this test, less efficient, are regarded as lesser breeds—for example, the older civilizations, the Black and Brown peoples, women and certain professions. Obsolescence is built into production, and efficiency is based on the creation of goods which are not really needed and which cannot be disposed of when discarded. What price such efficiency now, and is not reckless a more appropriate term for such behaviour?

*—Address given on June 14, 1972 to the plenary session of the United Nations Conference on Human Environment at Stockholm, Sweden.*

Pollution is not a technical problem. The fault lies not in science and technology as such but in the sense of values of the contemporary world which ignores the rights of others and is oblivious of the longer perspective.

*—Address given on June 14, 1972 to the plenary session of the United Nations Conference on Human Environment at Stockholm, Sweden.*



## Importance of Forests in National Welfare

Specialisation is inescapable in our age of advanced technology but how can it yield the desired results unless it fits into the overall social situation in our country? Our forests can survive only if forestry is attuned to the goals of national development, and long-term ecological welfare as well as that of the communities which live nearby.

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Forests are traditional sources of food, of herbs, of fuel and other essentials of many unsophisticated people who have lived for generations in and off the forests. These people are now bewildered and disturbed by the shrinking of the forest area, the depletion of produce, and numerous restrictions imposed by officials. The education of the forester and his colleagues in forest sciences should cover the sociology and economics of such communities. Forestry practices should make the lives of forest dwellers, whether humans or other species, happier, not worse. These people should not be driven away from forests. Rather we should be able to take their help to preserve and work forests scientifically.

*—Address given on December 19, 1981 on the Centenary Celebrations of Forest Education in India held at Forest Research Institute Dehradun.*

## Conserve Energy for a Better Future

Science cannot be only for the haves. The have-nots need it more. India looks to science as a way out of economic backwardness. We shall not deny ourselves anything that will help us in this objective. I hope you are all aware that our nuclear programme is prompted not by military objectives but by developmental necessity. It is dedicated to agriculture, medicine and meeting our energy needs. We are opposed to nuclear weapons and do not have any.

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All known strategies of development and of raising the living standards of the poor are energy-intensive. So long as they are dependent on centralised energy systems, people's needs are not likely to be met in full measure. Decentralised systems are necessary to promote regional self-reliance and help further utilisation of materials such as the animal and plant wastes which are available in villages. Such processes could be managed and maintained even by those who do not have much education. I cannot understand why rural problems do not interest scientists and technologists. What can be more satisfying and exciting than ameliorating the conditions of millions? This is one of my constant refrains. We want technology which will reduce drudgery and improve output without displacing the labour technology that will use locally available materials. So far the entire approach in technology has been based on cheap and abundant energy. There should be rethinking on all processes in chemical, metallurgical and similar energy consuming industries. Whole new areas of technologies are to be developed. The long range energy problem is far more acute than we think. The world's complacency is totally unjustified.

*—Address given on September 18, 1983 at the Twelfth World Energy Conference, New Delhi.*

## Science and Environment

The success or failure of any technological innovation depends on economic considerations. The main reason for the gap between knowledge gathered in our laboratories and their application by industry is inadequate interaction between technologists and econo-





mists. I want closer collaboration between scientists and social scientists. Social scientists should be inducted into our major applied research laboratories, so that the socio-economic aspects of technology transfer are attended to concurrently. If laboratories and universities assess the applied value of their work on considerations of ecology, economics, employment generation and energy conservation, they will be more significant in promoting development with conservation.

*—Address given on January 3, 1981 to the 68th annual session of the Indian Science Congress at Varanasi.*

### Science for Social Change

Decision-making regarding science and technology involves a multitude of problems, which are also relevant to other developing countries. Even allowing for our size, the scale of our educational base at the time of Independence and our millennia-old intellectual tradition, which is a key element of our total civilisation, our experience is not an entirely singular one. In varying degrees, other developing countries have also designed their policy instruments, institutional mechanisms, and actual operational capabilities in research and development and design engineering to generate technology internally and to use it in agriculture and industry.

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Technology is not value-neutral and the transfer of technology, especially in the form of aid, has been accompanied by economic conditions and political advice which was not necessarily to the advantage of receiving nations. Highly industrialised countries are not mere 'science and technology supermarkets' to use Blackett's well-known phrase, where technology is bought and sold. The process is more complex. What is bought has to be absorbed. This presupposes a certain infrastructure. The buyer must also have some technological knowledge and discrimination so as not to be taken in by salesmanship or become a dumping ground for obsolescent and expensive equipment. Without internal strength, governments cannot withstand the pressures of transnational corporations and other forces. Nor can we ignore the tendency of some affluent nations to use aid and the transfer of technology as instruments of foreign policy. A certain amount of indigenous technological development is essential to resist such pressures.

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Self-reliance does not mean isolation from others or from foreign ideas. It involves acquiring known knowledge and adapting what has been done elsewhere. That is how technological muscle is acquired. The capacity to produce substitutes which may not be the best today will in time help to find adequate answers to our needs. Self-reliance means the assertion of our right to formulate our policies, programmes or institutional mechanisms. We have to make our own choices, taking account of world developments in science, and drawing upon international cooperation, but without being swayed by fashions within science, or the science and technology foreign policies followed by advanced countries.

*—Address given on March 26, 1982 at the Science Policy Foundation, London.*

### Science and Government

In this city of confluence and at a forum like this, what would be more appropriate than to speak about the confluence between science and government? Each in its own sepa-



rate way is a repository of power and an instrument of change. Whatever ideology or system of government any contemporary society follows, it has to give the most careful attention to what Einstein called the 'sensible use of science'. This is one of the major problems of modern government. Carlyle said that if history had long been the root of science, in the future, science would be the root of history. This has been borne out in the last century.

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Research today requires vast quantities of sophisticated equipment. The days when Rutherford's laboratory could make do with an annual grant of £2,500, or C.V. Raman could discover the secrets of light with a few gems and crystals, are gone, never to return. The capital-intensivity of sophisticated science brings government into the administration of science in a big way. In the words of Sir Solly Zuckerman, "Science has now become so great a force in society that it has to be planned. This is on account of its size and cost and the need to manage it efficiently and wisely." In all societies, scientists are invading government in large numbers. Sir Winston Churchill believed that scientists should be not on top but on tap. But more and more official agencies and institutions involving science and technology are being placed under scientists. And this is as it should be and this is our policy too.

But scientists are also human and it is sad but true that often enough they contract the bureaucratic bacillus of rank consciousness or develop intolerance of alternative approaches. This is not the spirit of science. Science needs constant interchanges, allowing scientists to express themselves more freely and frequently on the objectives and priorities of scientific work and national development. Problems of the field must continuously be fed back to laboratories. My father constantly spoke of the scientific temper. Scientists should educate other citizens in the implications of science and technology, and collectively, through organisations like this Academy, engage in a constructive dialogue with government. Instead of scientists seeking directives from government, we expect ideas to flow from them and from academics to government.

*—Address given on October 23, 1980 at the golden jubilee celebrations of the National Academy of Sciences, Allahabad.*

### **The Scientific Path to Progress**

Scientists must be concerned with science and with the work of scientists, but they are also citizens—citizens of our country and citizens of the world; and, therefore, they have to look at problems not only as scientists but as individuals, what they want the country to be and how science can help in this. I am not in any way denigrating science. You know I have a deep faith and belief in fundamental science. I do not think we should give it up. Many aspects of applied science have risen out of fundamental and basic science. But we must all the time see how it can be used to improve life. That is what I mean by the scientific attitude: how best to use what is available, how best to delve deeper into knowledge to know ourselves, to know the world around us, and how to adapt. We cannot carry on research in absolutely everything. How do we adapt what has been discovered to our conditions and to help us to become self-reliant, economically as well as people and as individuals.

*—Address given on July 3, 1982 to Directors of CSIR Laboratories, New Delhi.*





### Scientific Thinking

Real scientific thinking is to be on the look-out for new ideas, new methods, new inventions, all the time, in every direction, even using the old if it is useful. Of course, if it isn't useful then you reject it. But where the people are hanging on to something, unless you can give it a turn, you will not be able to give it up. No broom is going to sweep all of it away.

*—Address given on July 3, 1982 to Directors of CSIR Laboratories, New Delhi.*

### Education and National Development

#### *The Meaning of Education*

How is life enhanced? A beautiful passage from Gurudev Tagore comes to mind. At the end of his essay to Teachers he says: 'There will be a sunrise of truth and love through people who have suffered martyrdom for humanity, like the great personality who had only a handful of disciples from among the fisherfolk and who at the end of his career seemingly presented a picture of failure when Rome was at the zenith of her glory. He was reviled by those in power, ignored of the crowd and he was crucified, yet through that he lives forever.'

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I should like to add something else, as one who has been able to solve some problems. I am deeply aware that every solution creates a new problem. There is just no end to problems, but if we keep ourselves alive, if we keep that impassioned spirit that Swami Vivekananda and so many of our great people symbolised, if we are not discouraged, no matter what the difficulty is, we shall prevail.

*—Address given on September 27, 1980 at the 150th Anniversary Celebrations of the Scottish Church College, Calcutta.*

### Role of Teachers in Nation Building

Our policies are not to be seen in separate compartments but as one whole. The aim, as I have said many times, is to make our country stronger—not in any military strength, not in any way to bully anybody else, but to be able to help our own people to develop the capacities which are inherent in them. Swami Vivekananda, who was one of the greatest educationists we have had, has said that education is not to *know* but to *be*. What we are taught should not just be an accumulation of knowledge or information; it should make us into better, superior, human beings. The same thought was further developed by Sri Aurobindo when he said that mankind can be a much better race than it is if only it will rise above the immediate and look into its potential power.

*—Address given on August 21, 1981 at the Convention of Indian Teachers, Congress at Vigyan Bhavan, New Delhi.*

### Role of Education in Development

Education and development are intimately connected. In the first decade of this century Sweden, which now has a remarkably high per capita income, was among the poorest in Europe. Japan only a century ago so backward, is today among the foremost in industry. Sweden at least has mineral endowments; Japan hardly any. Its phenomenal progress and



national prosperity are the outcome of the skill of its people. Whether you take Japan or Sweden or a large number of other advanced nations, human resource development through education led to the development of indigenous natural resources or the setting up of industries based on imported raw materials. The spread of knowledge was thus the first step in creating wealth and sharing it.

*—Address given on September 26, 1981 on the occasion of the conferment on her of the degree of Doctor of the University of South Pacific, honoris causa, at Suva, Fiji.*

### Education and National Development

Education is not an easy way towards employment but a training to make better men and women. As Swami Vivekananda said, it is not so much what one knows but what one becomes. To improve education we must tackle it at its very root, that is teachers' training, which must include simple items such as elementary hygiene, sanitation, care for the environment and for other living creatures, going on to the inculcation of higher values and ideas which develop mental and moral calibre. Are our methods of teaching keeping pace with the changing world? This does not necessarily mean expensive equipment, sometimes equipment helps but what is more relevant is the attitude of the teacher. Does the teacher evoke the respect of the students? Without that, teaching cannot be very deep.

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Contemporary education has neglected moral and spiritual values which are common to all religions. I feel strongly that our education must aim at excellence. I am alarmed to see the shoddiness of some of our textbooks, in their appearance as well as the substance. Foundations cannot be firm without stress on quality and the maximum use of whatever material and talents are at hand, combined with the maximum saving also of time, of energy, of words as well as of things.

*—Address given on June 2, 1981 at the Conference of State Ministers of Education, New Delhi.*

### Quality and Equality: Challenge to Higher Education

Our educational system, especially higher education, faces many challenges. We look to our colleges and universities to provide the scientific and engineering skills needed to transform our economy and also the body of knowledge which makes us discerning and capable citizens. It has been said that the aim of education is to make each person fit company for himself and at the same time to enable him to come out of his shell into one humanity. Learning is a never-ending process and the sources of knowledge are countless. An old sage said, 'I have learnt much from my teachers, and from my colleagues more than from my teachers, and from my students more than from all!' I would extend this to all the ordinary people one meets and to nature itself.

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A scintillating top stratum needs to be upheld by a high average. Hence the necessity of improving the general level of performance. Much is made of 'leadership', but not enough said about the responsibilities of others. In fact, successful nations are those where the people do not have to be 'led' but lead themselves. In exceptional times, leadership has a special place but we must learn to emphasise collective achievement, collective heroism and the collective will to work. One of the functions of education is to produce this kind of mature, well adjusted and responsible citizen who thinks not only of his



opportunities but of his obligations.

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Intellectuals deal with ideas, some that are timeless and universal, and others that are of the moment. The centre of our concern should be our people. We must help them to derive energy from their roots, yet grow with new ideas.

*—Address given on February 1, 1981 at the Centenary Celebrations of St. Stephen's College, in Delhi.*

### **Doctor and Nation Building**

I certainly do not advocate nor would countenance any lowering of standards of medical education. But I do feel that there is scope for dispassionate rethinking on the subject. We must have high standards, at the same time we have very many different conditions and situations in different parts of the country and these must be kept in mind in the implementation of schemes, so that the schemes give the desired results. We try too often to fit in the people to the schemes rather than the schemes to the people. That is perhaps why we fail in delivering the goods.

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I do not suggest that town doctors have an easy time. Doctors in our public hospitals and private clinics in metropolitan cities and State capitals are among the most hard-worked and harassed persons I know of. But the only way of lightening their burden is to ensure good doctors in district and taluka centres. The dispersal of talent rather than concentration is an answer.

*—Address given on March 4, 1982 at B.C. Roy Centenary Celebrations and Conference on Medical Education and Health Care, New Delhi.*

### **Nationalisation**

I have repeatedly stated that nationalisation is not a universal cure. On the contrary, it is a weapon which must be used with care and discrimination. In our present situation, the most compelling and urgent task is to accelerate economic development, to resolve the problems of unemployment and inequalities. Since our resources are limited, it is naturally more fruitful to invest them in creating new production facilities, in preference to merely taking over existing units or industries. However, if any privately owned industry is found to be operating against the national interest or is impeding special progress, we will not hesitate to take it over. Any proposal for nationalisation should be subjected to these two tests.

*—Interview to Heinz Moeller of "German International" on April 14, 1970.*

Any proposal for the nationalisation of an industry or activity must be subjected to two tests.

Firstly, is it necessary from the point of view of enabling the Public Sector to attain a dominant role and to occupy a key position in the economy? And secondly, does it further our social objectives? The nationalisation of banks satisfied both these tests.

Similarly, when we find any industry or unit operating in a manner which is detrimental to our national interests, we shall certainly not hesitate to take it over. But we should not



be deflected from our priorities.

*—Speech in the Lok Sabha on the Motion of Thanks  
on President's Address on April 2, 1971.*

### Nationalisation of Insurance and Banks

An institution, such as the banking system, which touches—and should touch—the lives of millions, has necessarily to be inspired by a larger social purpose and has to subserve national priorities and objectives. That is why there has been widespread demand that major banks should be not only socially controlled but publicly owned. It is not an accident that this has been the practice even in some countries, which do not adhere to socialism. That is also why we nationalised, more than a decade ago, the Life Insurance business and the State Bank—the Imperial Bank as it was then called. That is also why we have set up, directly under the aegis of the State, a number of financial institutions to provide medium or long-term credit to agriculture and industry. The step we have now taken is a continuation of the process which has long been under way. It is my earnest hope that it will mark a new and more vigorous phase in the implementation of our avowed plans and policies.

*—A broadcast over the All India Radio on  
July 19, 1969.*

### Freeing the World From Distrust and Disparities

The present world economic order is based on domination and inequality. The basic aim of the programmes of action drawn up in New Delhi was to strengthen the economies of weak nations. We outlined a mechanism to pool our own technological resources, a South-South dialogue as a supplement to the North-South one. We also indicated some immediate measures the most important of which was the convening of a Conference of Money and Finance for Development. To help developing countries is not mere largesse. It will directly benefit the industrialised because development in Asia, Africa and Latin America, and the enlargement of their incomes by removing obstacles to their export, will absorb industrial goods and machinery from advanced countries, stimulate economic activity, and ease their unemployment problem. What better investment can the North make in its own future than by turning today's deprived of the South into tomorrow's consumers?

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In India we work for self-reliance in action and self-respect in thought, which Bertrand Russell called "the better half of pride". But this pride is for human achievement and human potential. Its justification would be our ability to discern the future beyond the gloom of the present.

The safety of the weak is the strength of the strong. That is why the weakest and the poorest among us, within each society and in the international community, must be shielded from the inclemencies of the international climate. Continued disparities also aggravate political tensions and lead to instability. The strong, with the help of the rest of the international community, can think of measures to contain the enormous destructive potential which gives them illusions of strength but whose very power is troublesome. It is a welcome sign that the two most powerful nations are engaged in negotiations on vital strategic matters and have not allowed even serious incidents to deflect them. The myriad other problems concerning the environment, the optimum utilization of the resources of our planet and the reorganization of political and economic systems at the global and State level



need our cooperative endeavour.

*—Address given on September 28, 1983 at the Thirty Eighth Session of the United Nations General Assembly, New York.*

### **Development and International Cooperation**

Responsibility for development must primarily be shouldered by the developing nations themselves. Political domination over the process of development by nations which wield economic power is inconsistent with the provisions of the Charter to which we all subscribe. What we need is a global strategy of development, an integrated programme of international cooperation, which outlines convergent measures to be undertaken by every member State. The elimination of poverty and the development of impoverished regions are now widely accepted as international obligations. In order to discharge them, it is imperative that the international community finds ways and means to intervene effectively in defining the responsibility of economic power, in matching resources to needs, and in guiding economic forces towards progress and peace.

*—Address given on February 1, 1968 to the Second United Nations Conference on Trade and Development, New Delhi.*

### **Cooperation Among Developing Countries**

There is a growing awareness of the oneness of humankind but it is not reflected fully in the policies of most national governments. To save a hundred jobs in an advanced country, a decision may be taken which sentences a thousand families to hunger in a far-off land. Immediate temporary profit to a handful in one part of the globe might mean misery to millions elsewhere. We are ready to recognise the worldwide impact of oil prices or of inflation, but not it seems, of hunger. We know that should a nuclear warhead sneeze, billions will suffer. Yet we ignore the dangers to mankind as a whole of the widening disparities among nations.

*—Address given on February 22, 1982 while presenting the Third World Prize to President Julius Nyerere, New Delhi.*

### **Cooperation Among Developing Countries for Collective Self-Reliance and Third World**

Given the will for cooperation, there is no dearth of opportunities for organising and broadening interdependence on the basis of mutual interests and benefits. Progress in the developing countries will help to rejuvenate the stagnating economies of industrialised countries. In turn, improvement in the economies of the industrialised world offers better prospects for our own development. Interdependence is the rationale of the dialogue and cooperation between North and South.

*—Address given on February 22, 1982 at inaugurating the New Delhi Consultations among developing countries, New Delhi.*

### **Foreign Policy of Self-Reliant Nation**

Non-alignment is a policy but not an objective by itself. The objective is freedom of judgment and of action so as to safeguard the nation's true strength and basic interests. Temporary additions to strength can sometimes compromise long-term security. Had we built our defence forces at the behest of others or through gifts of armaments, the centre of



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decision and policy making would have moved out of our hands. There are instances when recipients of armaments do not confine themselves to serving the interests of the donors but use them for their own purposes. We ourselves have been victim of such diversion.

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In the early years, we had neither the resources nor the desire to get entangled in the rivalries and conflicts of the blocs and their war preparations. The gigantic proportions of our problems needed our total attention. Only in conditions of peace could we concentrate on development. This consideration remains valid today. Whatever the difficulties of self-reliance, and we should not under-estimate them, still less can we afford dependence on others, either for development or defence. A small country could, and some did, achieve growth through large scale aid. India is far too vast and its problems too massive to be bailed out by any other country. For us, self-reliant development is not merely desirable, it is the only possible way.

*—Address given on October 30, 1981 at the Silver Jubilee Celebrations of the School of International Studies of the Jawaharlal Nehru University, New Delhi.*

### Cooperation for Global Progress

Development cannot be imported. Nor can it conform to a given pattern. It has to come through our own determined efforts, tailored to our peculiar conditions and ethos. We, the developing countries, are working for economic cooperation amongst ourselves and for collective self-reliance. But we cannot avoid being affected adversely by outside events. This calls for international understanding and structural adjustments in the world economy itself. That is why we are meeting for a dialogue on major issues of international cooperation for development.

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The complex problems of developed as well as developing countries can be solved better by cooperation than confrontation. We all stand to benefit from the prosperity of our trading partners. Stagnation in industrialised economies lowers the export earnings of developing countries. A rise in income levels of developing countries generates growth in developed countries, increasing their exports and creating employment.

*—Address given on October 22, 1981 at the Conference on International Cooperation for Development, Cancun, Mexico.*

### Continuing Relevance of Non-Alignment

On the historic and magic day when India's independence was proclaimed, my father declared that India looked at the world with clear and friendly eyes and would cooperate with all nations and peoples of the world in furthering peace, freedom and democracy. Since then we have worked consistently to democratise international relations, we have supported liberation struggles, we have fought against all foreign domination and racism, have pleaded the cause of co-existence and the peaceful resolution of conflicts. Peace is not that which teeters on the brink. That is the absence of war, yet it threatens war. Nor can peace be based on outmoded concepts of imperialism, military alliances, spheres of influence or balance of power and competition in nuclear and conventional terror.

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If protectionism—the classic weapon of the strong against the weak—is used against



us, should we not expand trade amongst ourselves? If advanced technology and aid (and even food) are used as instruments of pressures, should we not devise and adopt comprehensive measures for mutually beneficial, financial, technological and agricultural cooperation among our countries? Today our capabilities are diverse enough to permit meaningful transfer of technology, skill and financial resources among ourselves.

*—Address given on February 9, 1981 at the Non-Aligned Foreign Ministers' Conference, New Delhi.*

### **Non-Alignment and Peace**

Of great concern to all of us are the wide inequalities and disequilibriums in the economic and social structures of world, the glaring imbalances between demographic pressures and access to material and technological resources. What should be invested in a construction is being channelled into destruction. There is a global waste of talent and resources.

The solutions of today's critical international economic problems need the total involvement of all nations. Global well-being will be illusory unless the aspirations of developing countries are reflected in the management of the international economy and in the decisions of international negotiations. No less urgent is the ending of inequalities within our own societies.

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Non-alignment is neither neutrality nor indifference. It involves active and free exercise of judgement on certain principles. Peace is not passive. As a remarkable woman of my country, the poet Sarojini Naidu, said, "True peace is not the peace of negation, not the peace of surrender, not the peace of the coward, not the peace of the dying, not the peace of the dead but the peace militant, dynamic, creative, of the human spirit which exalts". Today let us concern ourselves with future, mobilising all our resources, material and moral, in our cooperative quest for such a peace.

*—Address given on February 11, 1981 at the commemorative Session of the Twentieth Anniversary of the First Summit Conference of Non-Aligned Countries, New Delhi.*

### **International Brotherhood**

Actions today mould our tomorrows. We can turn our backs to the sun and cast long shadows on the lives of generations to come, or we can let light penetrate, illumine the dark patches of the human mind, renew the earth and conserve human and physical resources. The choice is ours.

The time has come to rise above pettiness and to break down meaningless barriers, to joint together not just for better things but to reach out for the values which could make us better beings; each one of us adding something no matter how small, to the total of the world's dignity and courage, its happiness and goodness, its beauty and wisdom.

*—Introduction, Indira Gandhi: Peoples and Problems, London, Hodder and Stoughton, 1982.*

### **Economic Planning**

In planning for the future, we have to take particular care to see that the benefits of development are spread as widely as possible. Apart from specific legislative and adminis-





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trative measures for preventing concentration of wealth and economic power, it is necessary to incorporate in our plans positive programmes for the weaker sections of the people, including in particular small farmers, farmers in dry areas and landless labour. In my view, the policies of lending institutions and cooperatives should be reviewed and recast, if need be, so as to provide special help to the small farmer.

*—Speech given on April 19, 1969 at a meeting of the National Development Council, New Delhi.*

### Planning—Challenges

The Plan is the centre of our lives. We are immersed in poverty. The threat to our political stability comes from communalism, casteism, linguism and regionalism. Ultimately even our security depends on our economic strength.

No matter which aspect is considered, we are confronted with the problem of poverty. It is a tremendous human problem, for it affects the lives of millions and millions of people. The answer to poverty lies in development, and it is to ensure orderly and rapid growth that we, like others, have embarked on planning.

*—‘Person to Person’ broadcast over the All India Radio—August 7, 1966.*

### Planning—Tasks

Whether in the public or in the private sector, planning should aim at liberating initiative in our society.

*—‘Person to Person’ broadcast over the All India Radio on August 7, 1966.*

### On Planning

Every Plan is just another milestone in our long and arduous journey towards a better life for our people.

*—Speech initiating debate in the Lok Sabha on the Draft Fourth Five-Year Plan on May 8, 1969.*

### Planning

Planning certainly has its critics, but the fact remains that in modern conditions, and in a developing country like ours, economic planning has become indispensable. Compared to the tasks to be accomplished, the resources of money, trained manpower and administrative and managerial skills are in short supply, and they have to be allocated primarily with a view to the national interest rather than the interest of any private individual or group. This is, after all, what the Plan seeks to do. At the same time, and through such rational allocation, it can lead to an augmentation of the now scarce resources, and thus gradually extend the limits of our economic freedom.

For us in India, planning is a charter of orderly progress. It provides a framework of time and space that binds sectors and regions together and relates each year's effort to the succeeding years, impelling us all constantly to greater cooperative endeavour. By strengthening the economic fabric of the country as a whole and of the different regions, it makes a powerful contribution to our goal of national integration. The Plan gives con-





crete expression to our national purpose. With its implementation, we shall have advanced yet another stage towards our goal of a prosperous, democratic, modern, socialist society.

*—Preface to the Fourth Five-Year Plan, July 18, 1970.*

### **Technology and Self-Reliance**

We are conscious that growth cannot be sustained on borrowed or even adapted technology. True self-reliance can come only as we develop the ability to solve our technological problems. Some are small but on big scale. How can our villages develop unless a wide range of tools can be placed at their disposal and modern fuel brought to them at nominal prices? We often hear the term 'intermediate technology'. In this, our scientists and technologists have much to do.

*—Address given on August 9, 1968 to the Conference on Application of Science and Technology to the Development of Asia, New Delhi.*

### **Technical Education**

Over the past twenty years, general and technical education has expanded considerably in India and we have developed a significant scientific and technological capability in several directions. It is now our endeavour to rationalise the structure of Indian science and to relate it more closely with the processes of planning and development. We must have a policy for science and equally science in policy.

*—Address given on August 9, 1968 to the Conference on Application of Science and Technology to the Development of Asia, New Delhi.*

### **Technological Advantages without Bondage**

We would certainly like our society to benefit from technology, but we do not want to be imprisoned by technological structures. We have no wish to re-enact the experiences of the West. Our national personality must evolve in its own way. Increasing material affluence does not seem to have satisfied man's deepest yearnings. Society must be imbued with the values which will enable man to find fulfilment and to enjoy his world.

*—Speech at Paris Luncheon on November 8, 1971.*

### **Plan Goals must be Achieved**

... Decision-making must be expedited and there should be greater delegation of financial and administrative powers, simplification of procedures, improvement in work environments, better maintenance of plants and equipment for increased capacity utilisation. Priority should be given to complete projects which are in advanced stages of completion, rather than in generating new capacities.

*—Address given on March 14, 1982 at the meeting of the National Development Council, New Delhi.*

### **Regional Approach to Develop Indian States**

In our system, the States are distinct units and each has its problems, but a regional



approach helps each unit to solve its problems better. Even in the international sphere the regional approach is now being welcomed...

The complexities and diversities of India are many. They relate to language, to religion, resource endowments and the quality and pace of development. But we are an integrated whole, determined to survive unitedly in spite of differences. We are constantly trying to resolve these differences. All States and all regions must share burdens and contribute to the development of the country as a whole. The country's progress does not depend only on the speed of the fastest, but must take into account the pace of the weakest. This is why our schemes of development pay special attention on the redressal of regional disparities."

*—Address given on December 22, 1980 at the meeting of the North Eastern Council in New Delhi.*

### **Strengthening Planning to Remove People's Problem**

Planning is the only rational way of husbanding our resources, of organising ourselves for the hard and long grind for material and cultural fulfilment. Time and again, our plans have been buffeted by unforeseen winds: several invasions, repeated droughts and two periods of sharp escalation in the international prices of oil and industrial machinery. In spite of it all, the last 30 years have shown that planning works. It allows social objectives of growth and justice to be achieved much more efficiently than a free play of market forces could ever have hoped for. I remain committed to planned development, as are my party and my government. At the same time, we must ceaselessly work to make it more effective for the fulfilment of our objectives. Self-reliance, speedier redressal of problems of the most vulnerable groups and regions, and the steady diminution of disparities. Within this broad approach, we have to be flexible and ready to innovate. If some remedies do not work, we must try others.

Planning was chosen as a method to attack the problem of poverty. Poverty is the most degrading experience of human existence—an intensely moral question. Growth by itself does not end poverty, it is the manner in which we plan to grow that matters. Hence in my mind there is always the question of what is to be done to break the moulds within which poverty grows. Hence our special programmes designed to meet the problem of the poor. The rationale of these programmes is not charity, not providing temporary relief or doles; it is the strengthening of the productive capacity of those who today produce very little. Most of the items of the 20-Point Programme seek to improve the productive forces and to alter the very contours of our apparatus of production.

*—Address given on November 16, 1983 at the Silver Jubilee Celebrations of the Institute of Economic Growth, New Delhi.*

### **Defining Our Socialist Path**

In India we have taken the Socialist path. Our Socialism does not envisage choking of private initiative. In fact, we have stood by and we do stand now for a mixed economy in which both the public and the private sectors are active. We do not want the State to do everything, because, apart from this not being possible, the State will not be able to undertake everything. It is also not desirable for the State to do everything. What then is our Socialism? It means that the State takes upon itself the responsibility for wiping out poverty, for initiating steps which will increase production, for modernising our economy by establishing key modern industries, for enforcing social purpose in all economic activities, for reducing disparities and setting right the historic inequalities between different classes and different regions, and, in particular, for checking and preventing the growth



of monopoly. Now all these are the responsibilities of industry and of all those who are interested in the growth of the nation.

*—Address to the National Alliance of Young Entrepreneurs,  
Bombay on October 25, 1969.*

### **Poverty and Equal Rights**

The basic problem in India is one of poverty. We feel, therefore, that democracy cannot be real for the people unless it is accompanied by a system which gives greater equality. You all know that the words freedom and democracy did not always mean what they mean today. In periods of history they applied only to a limited group. A few people were privileged people and were known as citizens; the rest may have been slaves or not entitled to the rights of freedom or democracy. But today no one will accept that situation. Today democracy means that every single person living in a country as a citizen should have full and equal rights.

*—Address given on November 6, 1971 at  
Columbia University at New York.*

We are engaged in overcoming the stagnancy perpetuated by years of feudalism and colonial rule when we were deprived of industrial, technological and social change. The results achieved in a democratic society may appear less impressive than those of a controlled society because of voices of dissent and discontent, and the absence of organised propaganda.

*—Speech at Paris Luncheon  
on November 8, 1971.*

### **Technology**

Technology is the base of economic progress. Where we do not have it, we must import, always bearing in mind that such imports should lead to the growth of indigenous technology. Where necessary, foreign technology has to be absorbed and used through our own research and development efforts to build our self-reliance.

*—Address given on December 29, 1981 at the inauguration  
of the Golden Jubilee Celebrations of the Indian  
Statistical Institute, Calcutta.*

### **Economic Recovery and Self Restraint**

It has been our endeavour ever since independence to pay the greatest possible attention to the rural areas. But it is only when you have the resources in terms of funds and goods, that you can help the rural areas. And this can only be generated by increased production, agricultural and industrial. Agriculture or rural development is not possible without industrial progress. And as the rest of the world gets more and more sophisticated, the more difficult it is for countries like ours to catch up and to help. Nevertheless our capacity has been growing. We have paid attention to the rural areas from the beginning. As the capacity is growing little by little, we are doing more and more for the rural areas. But you know from your experience that the more backward an area the more difficult it is to bring it forward. Even when money is put in, even when the industry is started, it takes a long time before any effect is felt in the area. We are conscious of this, not only because



a large part of our country is and probably will remain agricultural but because we depend on our peasants for survival and even for our industrial progress. We want to export industrial goods naturally but we also want to increase our agricultural production so that we can meet some of the food and other demands of neighbouring and other countries, thus getting more for foreign exchange and creating a sounder base for our economy.

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I am well aware of the deficiencies of the public sector. We keep prodding it. But in fairness we should also recall the achievements of the public sector and its contribution to our economy. Notwithstanding the scepticism (of flag-waving so called Leftists and Rightists) we have made a mixed economy work. Organisations like yours have a responsibility in economy that welfare reaches unto the last. Every concession for which you ask should be weighed carefully in the scales of social justice. Every project should promote essential consumption. Every collaboration should lead ultimately to greater knowhow and self-reliance.

The nation must rededicate itself to the values of hard work, discipline and the pursuit of clearly perceived objectives of economic growth and social justice. It is essential to raise productivity in the factories and the farms. Lock-outs, strikes and go slows have to be avoided, idle capacities must be fully utilised, and new investments brought to production without slippages.

*—Address given on January 4, 1981 to the  
Bengal National Chamber of Commerce  
and industry, at Calcutta.*

#### Facing the Future with Confidence

I have no hesitation in saying that communalism and casteism are worse than almost any other threat we have. Both are two sides of the same coin and the most reprehensible of all anti-national elements. We can easily meet external threats. But communalists, as I have said many times, are like white ants who eat up the wood or the grain from within... I don't say there are communalists in only one religion. They are there in all religions. And anybody who is fanatical in that way feeds the fires of fanaticism in other extremist groups. Therefore, we have to worry against them all equally.

*—Address given on September 17, 1981 during debate  
on a 'no confidence' motion in Lok Sabha.*

#### Cooperation for National Progress

There is time for everything and this is certainly a time for working together. We have definite policies which have stood the test of time. By 'we' I mean our party. We are open to new ideas and suggestions.

*—Address given on February 25, 1981 in Rajya Sabha  
in the debate on the motion of thanks for the  
President's Address.*

#### Need to Follow Our Ideals for Progress

I should like to reiterate that we are not against the rich or the affluent, the East or



the West, or the North. We want to resolve the problems we face in our own country, we must follow the ideals which are relevant to our position and for our progress. These ideals, which were first enunciated by our leaders, are timeless and still relevant. How sad that even our expressions of frustration and anguish are resented.

*—Address given on September 30, 1981 at the Inaugural Session of the Commonwealth Heads of Government Meeting at Melbourne.*

#### **Socialistic Pattern of Society**

However, I should like to remind the House that it was more than a decade ago that the Parliament put before the country the goal of a socialist pattern of society. To us this did not imply ownership of all the means of production by the State, but we did visualise that there should be large areas for the operation of private initiative and enterprise, subject always to regulation in the public interest. The socialist pattern of society did impose on us the obligation to bring the strategic areas of our economy under State ownership and control. It also meant that the Government had and has an obligation to take remedial measures to ensure that our political democracy is not eroded by economic distortions.

*—Speech during a debate in Rajya Sabha on the Banking Companies (Acquisition and Transfer of Undertaking) Bill on August, 1969.*

#### **Language**

Language is a means of communication. Its importance diminishes if politics are brought into it, just as dragging religion into politics makes religion narrow.

*—Address given on October 28, 1983 while inaugurating the Third World Hindi Conference, New Delhi.*

#### **Hindi as an International Link of Friendship**

Hindi has to work as the link between the country's languages. It has been so recognised not because it is the most developed of all these languages but because non-Hindi people have adopted it. They also have a claim to it. Gurudev Rabindranath Tagore wrote that Indian languages are rivers while Hindi is the great river and both would dry up unless they drew sustenance and developed together.

*—Address given on October 28, 1983 while inaugurating the Third World Hindi Conference, New Delhi.*

#### **Growth of Hindi**

This is an age of science and technology. Humankind cannot progress without them. Knowledge is growing at a fast pace. It is necessary to enlarge the scientific and technical literature available in Hindi. Hindi can benefit from and progress by imbibing knowledge from other languages of the world. It is essential that our scientists should begin thinking and writing in Hindi. I am happy to find greater use of Hindi in children's programmes. Hindi can grow only through the creation of scientific and other literature which will prompt other languages of the world to go to Hindi. Hindi has to be enriched and made a



repository of knowledge so that more and more people may benefit from it.

—Address given on October 28, 1983 while inaugurating the  
Third World Hindi Conference, New Delhi.

### Administrative Efficiency, Bureaucracy and Corruption

In economic development as in other fields of national activity, there is a disconcerting gap between intention and action. To bridge this gap, we should boldly adopt whatever far-reaching changes in administration may be found necessary. We must introduce new organisational patterns and modern tools and techniques of management and administration. We shall instil into governmental machinery greater efficiency and a sense of urgency, and make it more responsive to the needs of the people.

—First Broadcast as Prime Minister, All India Radio,  
New Delhi, January 26, 1966.

### Generalists and Specialists Bureaucracy

Development, even more than maintenance of continuity and order, has become the business of the administrative apparatus. The implementation of plan programmes requires a greater say for the expert and the technician and re-examination of old norms so that the desire to enforce obedience to rules does not hold up work. At the same time the general administrator himself has to acquire a greater understanding of economic and technological forces.

In all countries today there is a kind of battle between the expert and the generalist. Our aim should be to ensure that the country gets the best from both. Sometimes I find that our experts are not expert enough. Nor are they immune from the common human frailty of in-fighting or a sense of hierarchy. The expert and the generalist are both products of the same social milieu, and both must strive to equip themselves for future tasks in a world where interdisciplinary approach is becoming the key to advance.

—Address to the annual meeting of the Indian Institute of  
Public Administration, New Delhi, October 22, 1971.

### Role of Professional Managers

The managerial mind has special appreciation of cost and benefit. With the right kind of training, it will count not only the economic cost and benefit, but also the social cost and social benefit. The managerial mind is attuned to change. The advice of the professional manager should, therefore, be of special value to the Government. The decisions of the Government affect the future of millions, so it is important to take advice from those who look towards the future. The general administrator is basically a *status quo* man. He lives by rules which are the outcome of precedents and past experience. The scientist, on the other hand, is an agent of change. The future has no precedents. Scientists and managers and, indeed politicians, must have a keen perception of the future and be sensitive to change. Expert knowledge provides the necessary means for informed governmental decisions, especially when they deal with the increasingly complex process of industrial and economic growth. Most people still tend to judge a government by the static norms of the revenue-dominated and law-and-order administration of the olden days, little appreciating how complex the process of government has become in the last twenty years.

—Address given on April 13, 1968 to the third annual convocation  
of the Indian Institute of Management, Ahmedabad.



### Corruption

...Corruption is corruption, whether practised by a person in power, or a person aspiring for power, or any other, and we have to fight it on all fronts and at all levels. There is no sense in taking a 'holier than thou' attitude, focusing on certain individuals and instances. Corruption anywhere will pollute the whole system and must be treated as a symptom of a wider malady.

*—Address given on March 1, 1982 in the debate on the Motion of Thanks on the President's Address to Parliament, in Lok Sabha.*

### Corruption and Vigilance

Senior officers must go all out to regain the people's trust and also to look into the genuine hardships of their own junior colleagues. In this task they will have the Government's fullest support.

The people rightly expect the administration to be efficient, prompt and honest . . .

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It is sometimes said that corruption is due to poverty and gross disparities. This would imply that the rich and advanced countries are free of it—which is very far from the truth. It is also an uncalled for slur on the poor, for the poor of India are among the most upright persons anywhere. They are the victims of corruption and exploitation, not the cause of it. Corruption is noticed and commented upon in our country because it occurs where the administration comes into touch with the people at large. It arises when individuals want to follow consumption patterns beyond their incomes. The constant emphasis of the media on material goods, the visions of the comforts enjoyed in advanced societies, proliferation of regulations, the pressure of inflation, the breakdown of religious and ethical constraints, a general rise in permissiveness—all these contribute to increase in corruption.

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There is widespread belief that the efficiency of the various police services will increase if there are more gadgets. This is correct only to a certain extent. Because in spite of all the latest equipment and a much larger force in the affluent countries, there is a sharp increase in crime and growing police ineffectiveness. In fact more so, than in our own country.

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We have planned our development with a view to raise the standard of living of our teeming millions. Hence our economic development is inspired by social justice. We have been earmarking thousands of crores of rupees towards this goal. It is all the more essential that our achievements do not suffer because of mismanagement or neglect. Every rupee earmarked for this purpose must reach those for whom it is meant.

*—Address given on March 23, 1981 at the Ninth Joint Conference of Officers of the Central Bureau of Investigation (CBI) and the State Anti-Corruption Agencies, New Delhi.*

### Need for More Humane and Competent Police Service

You know that the police are a major line of contact between Government and the people. The entire Government gets a good or a bad name depending on the level of competence and courtesy of the police. Of late the police have been greatly in the news





and as you will all agree, in rather an unfavourable light. The decline in the prestige of the police and certain trends within police and security forces are causing us much concern. We should act speedily to correct the situation.

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The police force is an instrument of social change. The present image of the police among the public is that it consists of unthinking individuals. This must change. A change can be brought about through imaginative understanding at the higher levels of the Force and intensive training at lower levels.

*—Address given on December 19, 1980 to the Conference of Inspectors-General of Police in New Delhi.*

### Role of Trade Unions

Development is now found to be a far more complicated process than could ever be imagined in the late forties and early fifties. Our people are neither lazy nor unintelligent. But whereas in the rich countries, political consciousness followed industrialisation, we started the other way around. The insights gained by the West during its own post-war reconstruction were thought, wrongly as we now see, to be relevant to primary development. Each passing year demonstrates that the motive force of development is not the same in all countries and that what succeeds in one, may have entirely different reactions in another. There are no universal panaceas. Each country needs visions, competent and dynamic leadership and above all a determination to be self-reliant. It is for this we want international sympathy and programmes of concrete cooperation.

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The multiplicity of trade unions with different political ideologies is a serious problem. Some of them are more concerned with enlarging their own hold. Not only is production in vital areas held up but sometimes even installations are damaged. Powerhouses and hospitals are shut down. The community is held to ransom. One of the principal responsibilities before enlightened trade union leadership is to kindle social consciousness and make workers aware of the problems of the less favoured sections within the working classes.

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We all, different sections of the people, and different parts of the globe, have tried to take the maximum out of the earth. Mankind has fought, killed and ravaged. The time has come to cry halt, to pause and think "Whither man?", to match growing knowledge with wisdom and understanding, to turn from conflict to cooperation, to forge a partnership which will renew the earth's resources and bring to fulfilment the vast potential of man himself, raising him to higher levels of evolution.

*—Address given on March 18, 1981 at the ICFTU World Conference, New Delhi.*

### Working Classes

Our working classes have always shown a high sense of patriotism more so during difficult times and I do sincerely hope that they will act with patience and restraint and do nothing to hamper production in factories or work in offices. Within the means available, the Government have been always anxious to do justice to all sections of people, and shall continue to do so. But we cannot ignore the poorest amongst the poor who call for





immediate attention. The better off people cannot be secure unless the weaker sections are made stronger. There is not or rather should not be rivalry between any section.

*—Address given on February 26, 1981 in the debate on the motion of thanks on the President's address in the Lok Sabha.*

### **Family Planning and Health**

#### *Meaning of Population Planning*

I see population planning, as indeed any other programme, not in terms of numbers but in terms of individuals: men, women and children. And of human realities. Every child, said Rabindranath Tagore, is a reminder that God has not despaired of man. But so many million children in the world are victims of human despair and incapacity. They are denied their rightful share of food, shelter, learning and love. Child bearing should be a joy, not a burden, and since it is the mother who bears and rears the child, we are concerned not only with her health but her will. Family planning is proof of our love for children and a test of our claim to be good mothers, good fathers, and a good society.

*—Address given on September 30, 1983 while accepting the UN Population Award, New York.*

### **National Consensus Needed on Family Planning**

Human will must intervene and change the circumstances. Education in the wider sense of the word, formal and informal—through all organisations, institutions and services and, of course, committed individuals—is the most effective instrument to bring about changes of attitudes and behaviour, and make men and women more enthusiastic participants in a mass movement for smaller families.

*—Address given on May 25, 1981 at the inauguration of first National Conference of Parliamentarians on Problems of Population and Development, organised by the Indian Association of Parliamentarians in New Delhi.*

### **A People's Movement for Health and Family Planning**

Health and family planning are not a fall-out of development but an indispensable input. If our dreams and our programmes for a better life for our people are to be realised, the birth rate must be brought down. I am not advocating this for any cold statistical reasons but because the everyday lives of so many millions are involved. Every man, woman and child must have a better chance in life, in terms of food, shelter, education, employment and physical, aesthetic and spiritual fulfilment. This will be possible only if the population growth is much smaller than the overall economic growth. Our people must be educated to understand the importance of small families and to adopt the means to limit conception. The objective of a birth rate of 21 per thousand and a death rate of 9 per thousand by A.D. 2,000 is desirable and practical and we must achieve it.

*—Address given on June 15, 1981 at the Seventh Joint Conference of Central Council of Health and Central Family Welfare Council in New Delhi.*

### **Unity, Stability and Integration**

Indian unity is an established fact. It is not dependent on a political party or a person.



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It is something which just exists in India and I do not think that it can easily be diminished or weakened. But there are many tendencies which could weaken unity. In fact, I think in the whole world there is always constant conflict between things that divide and weaken and others which cement together. It is for us to work towards the cementing, uniting, strengthening factors rather than the others.

*—Address given on November 6, 1971 at Columbia University at New York.*

### Unity and Preparedness to Fight Alone

India is united as never before, and India feels so strongly about these basic things, whether it is freedom, whether it is democracy. It is a whole way of life with us. It is not a dogma, it is not an ism that we follow. It is a way of life which has kept our nation alive for thirty centuries. And we are not going to have it attacked because it suits somebody or other or does not suit somebody or other. We want help, we want support, we welcome sympathy. But basically in the world every individual ultimately is alone and every nation is ultimately alone. And India is prepared to fight alone for what it thinks worth fighting for.

*—Address given on November 6, 1971 at Columbia University at New York.*

### Stability in India

We must strengthen ourselves not for dominance nor leadership, but to be able to look after ourselves and to solve our problems. If only for its size, India's stability is essential to harmony in our region.

*—Introduction, Indira Gandhi : Peoples and Problems, London, Hodder and Stoughton, 1982.*

### National Integration

Our concern is what kind of India shall we bequeath to future generations—a strong, harmonious, self-confident India or a feuding, weak, schizophrenic India. We talk of national integration. It is not a mere phrase but an awareness of the burden and task that history has placed on our shoulders. I have no doubt that all of us, whatever our party or political creed, hold the freedom and integrity of our country as supreme and dear above all else. But freedom and unity cannot be taken for granted. Eternal vigilance is the price of our integrity, as it is of all liberties.

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No true religion can conceivably teach hatred of other religions, but we have had communal organisations which have persistently given a distorted picture. It is an unfortunate fact of life that these organisations are thriving in many parts of our country. We cannot be helpless spectators but should try vigorously to counteract the influence of such organisations by all political, legal and administrative means that are available. A party may gain when riots occur by blaming the Government, but such a gain is bound to be temporary. It is the people who are the sufferers and no party can make a long-standing gain out of the people's misery.

*—Address given on November 12, 1980 at the National Integration Council meeting, New Delhi.*



### Tolerance

Of course, where there are men (and of course also women) there are bound to be tensions, and now and then they become so evident that we have to set up organisations such as the National Integration Council. But this is all a part of life and in no way do these disagreements weaken our unity or interfere with our progress. We have steadily grown stronger by responding positively to genuine local demands and grievances, whether of linguistic groups or tribes wanting to retain their special identity, or demands to redress imbalances caused by the uneven economic development of a region. The political importance of tolerance is borne out by the history of the constituent states of India. Tolerance does not mean adopting the line of least resistance but the resolution of tensions and rivalries in such a way that violence is prevented. This positive concept of change includes an increasing effort to cleanse society of old inequalities and injustices.

*—Speech at Austrian Society for Foreign Policy and International Relations at Vienna, October 28, 1971.*

### Secularism

Secularism in India does not mean animosity towards religion. It implies equal respect for all religions and a separation of church from State. Nor is it limited to religion alone. It is concerned with the breaking down of other barriers—of caste, of region, of language, of colour, of prejudice and of superstition. It implies a rational approach to modern life, based on the principles of liberty and social justice.

*—Address at four hundredth anniversary celebration of the Cochin Synagogue, December 15, 1968.*

### Bridge of Unity and Brotherhood

It has always been our endeavour to build bridges, not only across rivers but also in the hearts of the people. We have in India people of different communities following different religions, speaking different languages and living in different provinces. We wish to build a bridge of this kind between them, a bridge which may not be apparent. What will be apparent is the spirit of friendship, brotherhood, love and cooperation. These are the bridges we seek to build.

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Before and after Independence, our leaders showed us the path of service and taught us how to fight superstition and march forward to modernity, retaining our old values and taking all religions of India along with them. Modernity does not mean we imitate what other countries are doing. It means we benefit by the good work done by other nations, either in the field of science or any other. We have also to apply our minds and improve upon what we adopt from outside. What happens at present is that we stop at what we have adopted from others. This task is not something which can be done by the Government or by issuing an order. Our youth must feel that they have to carry the country ahead, the community and the people of India ahead.

*—Address given on August 29, 1983 on the occasion of laying of the foundation stone of the new Yamuna bridge in Delhi.*



### Freedom

It has been said that "Freedom is not the right to do as one likes but the liberty to do as one ought". Freedom is not a negative concept—merely the rejection of foreign rule. Freedom is that which helps us to break out of the confines of fear and hate, of chauvinism and obscurantism and of the shackles of dead habit. Freedom is the atmosphere which enables each individual to grow to his full height. This is the freedom for which we must strive.

—Article published in the *Independence Silver Jubilee Number of Socialist India*, August 1972.

### Spirit and Freedom

Loyalty cannot be commanded by force. The spirit of man, his yearning for freedom and human dignity, cannot be extinguished by repression.

—Speech at Paris Luncheon on November 8, 1971.

### Maintaining our Freedom

The struggle for freedom began when the first man was enslaved and it will continue until the last man is freed not merely of visible bondage but of the concepts of inferiority due to race, colour, caste or sex. Only those who are free in spirit can be the torch bearers of freedom and pioneers of the future.

The greatness for which we strive is not the arrogance of military power or the avarice of economic exploitation. It is the true greatness of the spirit which India has cherished through the millennia. Man in the nuclear age stands at a crucial crossroads in his destiny. Let us rededicate ourselves not only to the service of India and her great people, but beyond to the broader goals of world peace and human welfare so that generations yet unborn can live with dignity and fulfilment, as part of the great world family.

—Speech given on August 14-15, 1972 at the midnight session of Parliament.

### Defending Freedom

Let us then continue to conduct ourselves with quiet confidence in ourselves so that the world should see and know that India cannot be browbeaten nor lulled into a false sense of security. Calmness of spirit and strength go together. India is calm and we are capable of taking decisions in defence of our security and our stability.

—Extract from statement in Parliament, New Delhi on November 15, 1971.

### Responsibilities after Freedom

During our struggle for Independence, it seemed that freedom itself would be fulfilment. But when we achieved it we knew that every completion was a beginning. For us, this was a start of a great experiment in the creation of democracy in an ancient, complex and vast country.

—Speech at Royal Institute of International Affairs, London, on October 29, 1971.



### Order and Freedom

The urge for more and better goods has led to the dehumanisation of the processes of production. Man is no longer regarded as an individual but as part of the machine, a producer and a consumer. Legal institutions are guardians of the *status quo*. Despite advances in education, the student is educated and moulded for society as it is. There is no looking forward to or preparing for the ideal society, one with justice, brotherhood and generosity. Little by little, the machine has liberated man from physical constraints but it has enslaved him in abstract ones. Everyone realises that change is inevitable and that the pace of change is accelerating. Obviously, today's institutions need flexibility to meet this constant challenge of change, but those who are in a position to ease the transformation are afraid to question the old order and its structures. Even new institutions lose no time in putting down roots and create vested interests which are difficult to dislodge. In a world of expanding potentialities and aspirations, any institution or organisation which has become static is bound to lose contact with the human dimension.

Concepts do not remain the same. Through the years, the words freedom and democracy, for instance, have expanded in meaning. They encompass not a small number of privileged but all the people. Increasingly, in a democracy people are not content to be voters. They want also to be participants. And they expect more, for freedom and democracy are no longer ends, they are the means. People are asking where they are leading. Because they have received no satisfactory answer, young people have lost their enthusiasm for liberalism and are disillusioned with existing institutions which they interpret as symbols of the establishment, rigid and unjust, geared to thwart them in their groping for new directions.

In almost every country, a section of youth employs the violent gesture to repudiate these static structures and what they stand for. It is tragic that the act of violence seems to have become the symbol of the Hero.

Traditionally, the remedy against disorder has been punitive action—counter violence and war which, in turn, lead to further disorder. But order is a basic need, integral to nature and to man. From the cell and the atom, to the human brain and the most complex technological invention such as the computer, order is vital: So is freedom. In fact, it is the impulse for freedom to realise one's true quality which is activating several movements of protest. This then is a challenge to the people no less than the Government, to students no less than teachers, to ensure that order is compatible with a free society.

—Address given on November 2, 1971 at  
Oxford University.

### Freedom in Modern Society

In a modern society, freedom cannot be the unrestricted play of individualism nor the apotheosis of private interests and private enterprise as against social interest and the public good. Freedom lies in a delicate and continuous balancing of the rights of the individual with the rights of society.

—Address given on October 29, 1971 at the Royal  
Institute of International Affairs, London.

### Agricultural Production

Only greater production will solve our food problem. We have now a well thought-out plan to see that water and chemical fertilisers, and new high-yielding varieties of seed,



as well as technical advice and credit, reach farmers. Nowhere is self-reliance more urgent than in agriculture, and it means higher production, not only for meeting the domestic needs of a large and increasing population, but also for exports. We have to devise more dynamic ways of drawing upon the time and energy of our rural people and engaging them in tasks of construction. We must breathe new life into the rural works programme and see that the income of the rural labourer is increased.

—First Broadcast as Prime Minister, All India  
Radio, New Delhi, January 26, 1966.

### Self-Reliance and Inter-Dependence in Agriculture

This is our policy, as can be demonstrated by the rates of agricultural investment in different Plan periods. The idea that agricultural development can be sustained by neglecting industrialisation is equally erroneous. The two sectors are interdependent and the growth of the one is integrally linked with that of the other.

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The absorption of technology is a matter not merely of calculating costs and benefits, prices of technology, costs of labour displaced or revenues of product achieved. Technology has an impact on society—the mode of living and the relationship between people and institutions. Technological change cannot be abruptly imposed. It has to be a process of evolution. However modern, however beneficial a technology, it has to fit in with indigenous culture and capabilities, and harmoniously transform tradition into modernity.

—Address given on November 9, 1981 at the 21st Session of the Food  
and Agricultural Organisation of the United Nations, Rome.

### Cooperatives in National Life

Co-operatives should be run on modern commercial principles. However, they should think not merely of the return to their own members, but of benefit to the entire community. If for example, the collective efforts of a group of individuals in a sugar co-operative bring them prosperity, they must explore ways of seeing how this prosperity can be shared in a wider sphere, that is even with consumers. Co-operative organisation should also consider future investments demanded by technological changes. It is because many of our private industrialists have failed to do this that we are burdened with sick mills. The prospect of successful cooperatives which have turned themselves into crass commercial enterprises is a depressing one. At the same time, many co-operatives have established schools and colleges which have benefited the larger community. Cooperatives should become disseminators of managerial and technological talent.

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Yet another poison that is being assiduously spread is the 'sons of the soil' theory—as though people born in another part of Indian soil are not equally sons and daughters of Mother India. These narrow doctrines can be checked only by the united will and united action of right-thinking people. In this task I seek the co-operation of co-operators. I sincerely hope that within the co-operative movement, caste or communal or regional feelings or institutions will not be encouraged.

—Address given on October 1, 1980 at the platinum jubilee celebrations of the cooperative movement in India organised by the  
National Cooperative Union of India in New Delhi.



### **Definition of Peace**

Peace is a call for never-ending exertion to achieve the good, not of a limited area but of all human beings, indeed of all that is in creation.

*—Speech at Bonn Banquet on November 10, 1971.*

### **Search for Peace**

The search for peace calls for determined effort. Peace cannot be attained by waiting and hoping, but through action and perseverance. Even for an individual, there cannot be a private quest for peace, nor for a nation can it be merely a national effort. It must be an international imperative. A day before he was assassinated, Mahatma Gandhi said that the way to peace was to live amidst strife and to struggle with all one's might to overcome it. This applies to nations no less than it does to individuals. Dreams must be accompanied by endeavour. As Pushkin said:

I crave more life, more dreams, more agony  
Midmost the care, the panic, the distress,  
I know that I shall taste of happiness.

*—Speech at Moscow Luncheon  
on September 28, 1971.*

### **Preparing for Future**

The conviction that we can and must shape the future has been the motive force of political revolutions and of scientific break-throughs. We can best prepare for the future by developing minds which are free of prejudice and which override divisive bounds of creed, of race and of nation; minds, capable of understanding the forces which affect man as an individual and as a social being. No man should feel alienated from nature or from his fellow men.

*—Address given on September 29,  
1971 at Moscow University.*

### **Better Books for the People**

A high literacy rate is not always accompanied by the desire to read. Nor do economically better-off groups or regions necessarily buy more books. The prevalent social mores do not seem to set much store by books. Perhaps you have heard the story of a person who couldn't decide on a birthday gift. 'Why don't you give a book?' advised his friend. 'That doesn't solve the problem. She already has a book' he replied! Some who are fashion-conscious acquire books for their snob or decorative value. I heard from a book-seller that some people choose books for their colour or size!

*—Address given on February 4, 1982 at the  
Fifth World Book Fair, New Delhi.*

### **Sympathy for Disabled Persons**

We have passed legislation to help the handicapped and will not hesitate to do again whenever necessary. In order to give more comprehensive care for the handicapped the





## Document

Ministry of Social Welfare is thinking of a basic law on different aspects of the rehabilitation of the disabled. However, legislation is of limited help. Apart from the legal aspect, there should be more widespread recognition amongst likely employers that the disabled can be full members of society. If they cannot tackle one job they are capable of something else and should not be deprived of the opportunity to support themselves. They do not ask for, nor should anything be done out of charity. It is their right as citizens and it is in the country's interest. Sometimes children and even grown-ups thoughtlessly ridicule the disabled or deformed people. This is cruel and must not be allowed. What is essential is to create public consciousness, not in the sense of pity but compassion, which is deeper and which leads to positive action. I feel strongly that this awareness and concern should be created from the earliest stages of education and our children should be taught about health education, road sense, cleanliness and other preventive action and these should form a part of our textbooks.

*—Address given on January 5, 1981 at the  
International Year of Disabled Persons.*

### The Urge to Do Better

Although we are proud of the growth that has been achieved, we have vast areas to explore. This is a continuous process. At no time can you say that you are satisfied. We must always be dissatisfied. There are two types of dissatisfaction. One is that you are dissatisfied and you say nothing can be done, you just sit back and do nothing. The other is that dissatisfaction which urges you to do better.

*—Address given on June 8, 1982 at the joint meeting of the  
All India Handlooms and Handicrafts Boards, New Delhi.*

### Rekindling of Spirit of Adventure

To us Indians, the Himalayas are not just a great mountain range. They are an inseparable part of the Indian consciousness, standing for eternal values. More than anything, the mountains teach us to look deep into ourselves and beyond, to a sense of oneness with our universe. Each one of us is alone and yet so much a part of the whole. When you are at the top, it is a triumph of science but also of your spirit. This is a combination we need in all spheres of activity and in our daily lives.

*—Address given on August 27, 1983 at the Silver Jubilee  
of the Indian Mountaineering Foundation, New Delhi.*

### Purpose of Laws and Rules

It is true that the Government of India—perhaps all Governments, but ours more than others, except the Communist countries—tend to regard rules as the law of life. We forget that laws as well as rules are there to help the country to function, not to stop its functioning. Unfortunately, this is happening here from the highest strata down to the lowest. How we are going to avoid it, I do not know. If rules or laws prevent progress how is the country going to move forward? I think it will be a caricature of democracy, rather than true democracy, if in the name of democracy people are hauled up for genuine mistakes. You cannot progress, you cannot do anything, without making mistakes and by being afraid of mistakes.

We have to see which mistakes are inadvertent, whether somebody has deliberately done something wrong which can go against the national interest or the interest of the





institution. But if in public life we do not make this and many other similar distinctions, people will not be able to function more freely and more effectively.

*—Address given on July 3, 1982 to Directors of CSIR Laboratories, New Delhi.*

#### **Radio and TV for Villagers**

... We need young people—whether they belong to Nagpur or any other part of the country—who look ahead and who can help us in raising the level of what is called software. Today we lag far behind in this regard. I am not ready to accept for a moment that our people lack ability. The capability is there, but the question is how to bring it out and make full use of it.

... As you know, 75 per cent of the population of India live in villages. Our primary concern should be how best to serve the vulnerable sections of our country and increase their knowledge and benefit them, so that they could also contribute to the progress of our nation.

*—Address given on April 10, 1982 while laying the foundation stone of a television relay centre at Nagpur.*

#### **Women Power and Radio**

...If a handful of women go forward, become ministers or judges, you should not think that women's status has gone up. We call them 'devis' but we do not treat them as such. We want radio to create a new sense of social awareness, in which women can get respect and opportunities. Mahatma Gandhi had great regard for women. Vinobaji is also trying to secure an honourable position for them through the concept of 'Stri-Shakti'. It has always been there in our country. We must now see how we could utilise that 'Shakti' in taking the country forward, giving a new direction to youth, and strengthening their character.

*—Address given on April 10, 1982 while laying the foundation stone of a television relay centre at Nagpur.*

#### **Search of the Young**

I am, of course, very proud of our young people in India because in spite of enormous difficulties, they are facing the challenge of the future, and although sometimes their expression of dissent takes violent forms which I certainly do not approve, I think they are generally groping for something worthwhile. I hope that by our work we can persuade them to do their groping in a more constructive, cooperative and peaceful way.

*—Address given on November 6, 1971 at Columbia University at New York.*

#### **Making Air Travel Safer and Less Expensive**

There is vast scope for greater regional co-operation to develop airline services to finance fleets and improve ground facilities. Technical, administrative and political elements should all work together in a more co-ordinated manner.

*—Address given on October 24, 1983 while inaugurating the 39th annual general meeting of the International Air Transport Association, New Delhi.*



## Utility of Television

It is difficult to say what is a necessity and what is luxury and waste. There are some obvious necessities such as food, clothing, shelter, health facilities and arrangements for education. Without these no one can live. But it should not be taken to mean that television is only a means of entertainment. We have been able to get many new things across to our farmers through TV. I would even say that its most important programme is the one for farmers. Farmers' clubs have been formed at many places. Questions are asked, and are answered and they are told about what is new. Therefore television has a big hand in increasing agricultural production and saving crops from pests and from plant diseases. It has also an important role to play in the spread of education.

*—Address given on August 1, 1983 while laying the foundation-stone of the transmitter of Allahabad Doordarshan.*

## Public Sector Enterprises

### Philosophy

There is no such thing as 'Public Sector Technology' or 'Private Sector Technology'. It is the same with project planning, costing, research, marketing and the rest. The Public Sector must stand or fall, like the private sector, on the tests of efficiency, profit, service and technological advance. The only difference lies in the fact of social control and social purpose with regard to the Public Sector. The 'philosophy' might be different. The operation is similar.

*—Address given on June 14, 1966 at a Round Table Discussion on the "Role of the Public Sector", New Delhi.*

## Public Sector and Socialism

No country in today's world can progress, or even effectively retain its freedom, without a strong industrial base. And such a base cannot be built in a newly free country without State initiative. Our Public Sector is an essential feature and a dynamic instrument of Socialism. This is precisely why it has been under so much attack.

*—Address given in April 1976 at the National Convention of Public Enterprises, held at New Delhi under the auspices of the Bureau of Public Enterprises and the Standing Conference of Public Enterprises.*

### Purpose

We advocate a Public Sector for three reasons: to gain control of the commanding heights of the economy; to promote critical development in terms of special gain or strategic value rather than primarily on considerations of profit; and to provide commercial surpluses, with which to finance further economic development.

*—Address given on June 14, 1966 at the Round Table discussion on the role of the Public Sector, New Delhi.*

### Role

We envisage an expanding role for the Public Sector because we want it to occupy a key position in our economy. Only such expansion will lay the foundation for a self-



reliant economy and will prevent the concentration of the ownership of the means of the production. These enterprises belong to the nation. The very fact that they are publicly owned ensures that their performance will be under constant scrutiny and that there will be constant pressure for their improvement.

*—A Reply to debate in the Lok Sabha on the  
General Budget on March 17, 1970.*

### **Role in Development**

The public sector in India carries a great responsibility for development. It has to do what the private sector does not have the capacity or the willingness to take up. I hope our public enterprises will exert themselves with renewed vigour to justify the investments and our expectations.

*—Address given on October 11, 1980 at Mazagon Dock, Bombay.*

Efficient management and evolution of a rational pricing policy for Public Sector enterprises, whether under the State or the Centre, should be an important element in our programme for the mobilisation of resources. Apart from improvement in the day-to-day management and fuller utilisation of the potential already built up, there is clear need to ensure that we secure a reasonable return on investments already made through appropriate revision of irrigation rates and power tariff. It is only by improving the rate of return on the investments already made that we can generate sufficient resources to maintain even a minimum tempo of development in the years that lie ahead.

*—Prime Minister Indira Gandhi's article originally published in  
Yojana, New Delhi, January 26, 1981.*

### **Challenges**

The public sector also must accept the challenges of modernisation and productivity. At the beginning we needed it to acquire the commanding heights of economy. This has happened in large measure. This commanding position must now be used to promote vigorous industrialisation. The public sector is responding to this challenge, but in the period ahead I look not for incremental changes, but to a totally different picture of dynamism. We have the people, we have the skills to successfully undertake the emerging tasks which can be performed only in a new culture of accountability. This culture has to be fashioned and protected from complacency and apathy. The private sector will continue to grow alongside the public one. There has been tremendous growth of entrepreneurial skills. The small and medium scale sectors have established themselves as forces of growth. These must be encouraged. Policy should aim at integrating them with the changing profile of technology. Large industry also must accommodate itself to this new environment. Our social priorities compel it to become the vehicle for the assimilation of sophisticated technology into our production structure. This means much more investment in research and development than the present pittance. It has to reduce costs and stand up to competition. It simply cannot continue to bask in the comfort, or garner the quick profit of the sheltered market.

*—Address given on November 16, 1983 at the Silver Jubilee Celebrations  
of the Institute of Economic Growth, New Delhi.*



## Management Culture

Public enterprise has to be a co-operative effort between workers, management and the Government, and as I have said before, the need to involve the public as much as possible.

Public Sector has to evolve its own management culture which is different from the bureaucratic culture or the private sector culture. Very often Public Sector management becomes an imitation of secretariat management or the borrowed ethos of private sector management. The result is that it doesn't acquire the virtues of either but it does take on the faults of both.

*—Address given on April 5, 1983 at the Public Enterprise Chief Executives' Conference held at New Delhi.*

## Efficiency

We have invested hundreds of crores of rupees in our Public Sector projects. This money does not belong to capitalists or Industrialists. It is public money. Profits made by Public Sector undertakings are spent on public welfare—for building roads, schools, hospitals, etc. It is our duty to ensure that Public Sector projects are run efficiently and successfully and yield profits. The entire Indian public is a partner in these enterprises. Workers and managers employed in public undertakings suffer many deficiencies. We do not want to hide these deficiencies. But it does not mean that all Public Sector undertakings are badly run. Some of them are run very efficiently.

*—Speech given on August 15, 1968 (from free translation of a speech in Hindi from the ramparts of Red Fort, Delhi, Independence Day).*

## Accountability

I think that it is accountability for overall performance to Government and Parliament that will ensure managerial efficiency and initiative in the Public Sector. This accountability cannot be an obstacle to managerial efficiency. Efficiency really springs from a accountability. But sometimes there is criticism, which is levelled without knowledge of the full facts.

*—Interview to 'Citizen'—January 24, 1970.*

## Profitability

The final test lies in profitability, service and growth. If the Public Sector cannot pass these tests, then there is no meaning in it.

*—Speech inaugurating the Round Table discussion on the role of the Public Sector, New Delhi on June 14, 1966.*

## Need for Efficiency

Much of what I have said applies even more to our Public Sector undertakings. There we need a greater sense of commitment to social objectives, greater scope for the technical element, greater delegation of authority down the line, greater involvement and the development of a corporate spirit. In short, a new culture. The Public Enterprises must primarily fulfil their economic role. By efficient functioning they should add to the nation's economic strength and also to budgetary resources. They should help to foster a new ethic in



administration.

*—Speech given on October 22, 1971 at the annual meeting of the Indian Institute of Public Administration, New Delhi.*

### **Autonomy and Control**

The tests of success are production and efficiency. The criteria is not merely financial profitability, although that is important, but the result on the ground, judged in terms of quality and the standard of the things produced and also the overall public good. Conscious and continuous effort must be made to take note of public complaints about the quality of the product and of the service. When public enterprises produce goods and services which are relatively scarce or in a monopoly situation, there is an even greater obligation to ensure fair prices and good quality. If the growth of the public sector leads to deterioration in service, with a concentration of economic power, then our entire economic faith is in danger.

One of the major debates in the Public Sector is on managerial autonomy versus control of the Government. Modern managers are expected to understand the nature of technology and of modern market better than traditional owners. Managers, perhaps legitimately, resent interference from political people and administrators. But accountability to the legislature is a fact of life in our type of democracy; it cannot be avoided even though it may complicate matters for you. The Government is required to take a larger view, even if a particular manager feels that it is at the cost of restrictions on his operation.

*—Address given on April 5, 1983 at the Public Enterprise Chief Executives' Conference held at New Delhi.*

### **Avoiding Wastage**

The public sector must set an example to not only the private sector but to all citizens in avoiding waste, in making the best and fullest use of whatever is available, and in educating the people with regard to environment.

*—Address given on July 14, 1982 after releasing a book entitled "Public Sector in India" (published by Associated Journals)*

### **Achievements**

May I ask you to look at the speeches which have been delivered through the years and the number of speeches which I have set through, condemning the Public Sector? Has it not struck you then that the Public Sector has a role to play and that it is the Public Sector which has given an infrastructure to our country so that we have been able to defend ourselves, so that we have been able to help you, the private sector. Do not forget that the private sector has advanced because the Government has protected it and has helped it. It could not have built up the base that it has today had the Government adopted a different policy. So, you have to view the problems; which you face and which we face in the larger perspective of the country.

*—Speech given on October 25, 1969 at the Indian Merchants' Chamber, Bombay.*



## Mixed Economy

### *Rationale*

The rationale of our mixed economy has been the need to steer clear of the extremes of ideologies, whether capitalist or any other. Mixed economy is a third alternative which, while extending the sphere of public ownership and control in vital and strategic sectors of the economy, retains free markets.

*—Speech given on December 5, 1970 at the annual meeting of the Associated Chambers of Commerce and Industry, New Delhi.*

### Structure of Industrialisation

We need big industries in this country but we need medium-scale and small-scale ones as well. Unless all these are properly balanced and dovetailed together we cannot succeed. Whatever can be made at the village level or in the small-scale we should try to make at that level.

*—Address given on July 14, 1982 after releasing a book entitled "Public Sector in India" (published by Associated Journals)*

### Private Sector and Public Sector

Our strategy of economic advance assigns a prominent role in the public sector to the rapid expansion of basic industries, power and transport. In our circumstances, this is not only desirable but necessary. It also imposes an obligation to initiate, construct and manage public sector enterprises efficiently and to produce sufficient profits for further investments. Within the framework of our Plans. In our mixed economy, private enterprise has flourished and has received help and support from government. We shall continue to encourage and assist it.

*—First broadcast as Prime Minister, All India Radio, New Delhi, January 26, 1966.*